

# EVALUATION REPORT

## REVIEW OF SBA EXECUTIVE AND POLITICAL APPOINTEE TRAVEL





# EXECUTIVE SUMMARY

## REVIEW OF SBA EXECUTIVE AND POLITICAL APPOINTEE TRAVEL

Evaluation  
Report  
No. 16-14

April 14,  
2016

### What OIG Reviewed

The Government Accountability Office considers executive travel as a sensitive payment area because senior executives may have the opportunity to bypass internal controls. Travel conducted by Federal employees must be for official purposes and limited to that which is essential to the performance of the agency's mission. Executive travel includes temporary duty (TDY) and local travel.

TDY is defined as a location away from an employee's official duty station where the employee is authorized to travel and can include either domestic or international travel. Local travel is generally defined as travel within the local commuting area and within a 50-mile radius of an employee's duty station. The Office of Inspector General's (OIG) objective was to determine whether the Small Business Administration's (SBA) executive and political appointee travel practices complied with Federal travel regulations and SBA's policies and procedures. We reviewed a risk-based sample of 40 domestic and international trips totaling approximately \$148,000. Additionally, we judgmentally selected 13 individuals and reviewed their local travel vouchers for compliance.

### What OIG Found

SBA did not always ensure local, domestic, and international travel authorizations and vouchers complied with Federal and SBA travel regulations. For 10 out of 40 TDY trips (25 percent), we found that critical elements were not approved before travel began, as required. We found that another subset of authorizations or vouchers were not approved by the appropriate officials for 9 out of 40 of trips reviewed (23 percent). Additionally, we questioned costs totaling \$3,792 for three trips where SBA reimbursed travelers for lodging expenses without adequate supporting documentation.

We also identified several local travel vouchers that were approved for reimbursement 3 months after travel and were not routed to and approved by a senior level official, as required.

Additionally, we found that SBA submitted an incorrect annual report to the General Services Administration (GSA) on the Federal use of transportation accommodations other than coach class, due to an omission of one traveler's premium airfare trip. After we notified the Agency of the inaccurate premium class report during this review, SBA contacted EL Sol, SBA's travel vendor, to request an updated premium class report, which included all classes of premium transportation trips during 2014. In addition, the Agency reached out to GSA and corrected the 2014 premium class report to include the omitted trip.

### OIG Recommendations

OIG made four recommendations to the Office of the Chief Financial Officer. Two recommendations are intended to strengthen controls within the travel program and to ensure compliance with Federal travel regulations and SBA policies and procedures. The other two recommendations seek the remedy of \$3,792 in unsupported costs.

### Agency Response

SBA management agreed with the findings and recommendations of this report. To address Recommendation 1, SBA plans to develop a checklist and an information notice to distribute to SBA travelers to assure that correct documentation is included in the Concur system. For Recommendations 2, 3, and 4, SBA management provided additional documentation necessary to close the recommendations and the associated questioned costs.



**U.S. SMALL BUSINESS ADMINISTRATION  
OFFICE OF INSPECTOR GENERAL  
WASHINGTON, D.C. 20416**

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**Final Report Transmittal**  
Report Number: 16-14

**DATE:** April 14, 2016

**TO:** Maria Contreras-Sweet  
Administrator, Small Business Administration

Douglas Kramer  
Deputy Administrator, Small Business Administration

Tami Perriello  
Associate Administrator for Performance Management and Chief Financial Officer

**FROM:** Troy M. Meyer /s/  
Assistant Inspector General for Auditing

**SUBJECT:** *Review of SBA Executive and Political Appointee Travel*

This report presents the results of our evaluation of SBA executive and political appointee travel. Our objective was to determine whether SBA's executive and political appointee travel practices were in compliance with Federal travel regulations and SBA's policies and procedures. We previously furnished copies of the draft report and requested written comments on the recommendations. SBA management's comments are appended and were considered in finalizing the report.

The Agency concurred with all four recommendations. The Agency provided documentation that satisfies Recommendations 2, 3, and 4, and OIG considers these recommendations closed. Recommendation 1 will remain open until OIG receives documentation demonstrating that Recommendation 1 has been implemented. Please provide us within 90 days your progress in implementing the recommendation.

We appreciate the cooperation extended to us during this review. If you have any questions, please contact me at (202) 205-7390 or Andrea Rambow, Director, Audit Operations Group at (202) 205-4428.

cc: Nick Maduros, Chief of Staff  
Matthew Varilek, Chief Operating Officer  
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## Introduction

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The Government Accountability Office considers executive travel as a sensitive payment area because senior executives may have the opportunity to bypass internal controls. Travel conducted by Federal employees must be for official purposes and limited to that which is essential to the performance of the agency's mission. Local travel is generally defined as travel within the local commuting area and within a 50-mile radius of an employee's duty station. Local travel expenses may include mileage, taxi, parking, and tolls, and are reimbursed through a paper-based system on Standard Form 1164, "Claim for Reimbursement for Expenditures on Official Business." Claims are submitted through a delegated approving official to the Denver Finance Center (DFC) for processing and payment.

Temporary duty (TDY) is defined as a location away from an employee's official duty station where the employee is authorized to travel and can include either domestic or international travel. Before incurring TDY travel expenses, Small Business Administration (SBA) employees must generally obtain approval of a travel authorization, which estimates the cost of travel including lodging, meals, incidentals, passenger transportation tickets, ground transportation, fees, and other expenses.<sup>1</sup> This estimate is used to establish the travel obligation in SBA's accounting system. Upon returning from travel, each employee submits a request for reimbursement (or travel voucher) for approval by a designated approving official. Each travel voucher should contain the travel authorization, required receipts, and any other pertinent documentation related to travel expenses. In October 2013, SBA implemented the Concur Government Edition system ("Concur"), which moved from a paper-based system to an electronic travel reimbursement system. Official travel data is stored, reviewed, and approved in the Concur system for travelers receiving TDY allowances, including both domestic and international travel.

The Office of the Chief Financial Officer (OCFO) and the DFC provide oversight of SBA's travel program for employees traveling on official business. In March 2014, SBA revised its Standard Operating Procedures (SOP) 20.11.6, which sets guidelines for travel and is in alignment with the Federal Travel Regulation (FTR). The FTR implements statutory requirements and executive branch policies for travel by Federal civilian employees authorized to travel at Government expense. The purpose of the FTR is to ensure that travel is conducted in a responsible manner and minimizes administrative costs. Based on guidance in SBA's SOP, delegated authorizing officials review and approve travel authorizations in the Concur system prior to employee travel. The officials approve all travel-related items and expenses, including any expenses that require additional written authorizations such as foreign expenses, actual expenses,<sup>2</sup> and premium travel.<sup>3</sup> Upon the return of the employee to the office, approving officials review and approve travel vouchers for reimbursement to the employee for official travel-related expenses. Approving officials have the vital responsibility to ensure that claims for reimbursement are properly prepared in accordance with the regulations and that funding is available and established in SBA's accounting system. Ultimately, both the authorizing and approving officials determine whether travel is the most cost-effective method and in the best interest of the Government.

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<sup>1</sup> Travelers are allotted per diem, or an allowance for daily payment of lodging, meals, and related incidental expenses.

<sup>2</sup> Actual expense is a method of reimbursing travelers for their actual costs—not to exceed 300 percent of the GSA prescribed maximum per diem rate for the specified area. Travelers must be authorized for actual expenses 5 working days prior to the trip.

<sup>3</sup> Premium travel is defined as transportation accommodations other than coach class.

## Objectives

Our objective was to determine whether SBA's executive and political appointee travel practices were in compliance with Federal travel regulations and SBA's policies and procedures. During our review, we interviewed Agency officials in OCFO and the DFC responsible for overseeing and managing SBA's travel program. Further, we reviewed a risk-based sample of domestic, international, and local travel authorizations and corresponding vouchers for senior executive level travelers and political appointees.<sup>4</sup>

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<sup>4</sup> See Appendix I for a detailed discussion of our objectives, scope, and methodology.

## **Finding 1: Stronger Internal Controls Needed Over the Review and Approval of Executive and Political Appointee Travel**

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SBA did not always ensure local, domestic, and international travel authorizations and vouchers complied with Federal and SBA travel regulations. We noted that 1) actual expenses, travel dates and locations, and annual leave were not pre-approved prior to traveling; 2) appropriate officials did not approve travel authorizations and vouchers; 3) claims for reimbursement did not include complete supporting documentation as required by SBA and Federal travel guidance; and 4) local travel vouchers were not submitted in a timely manner. Furthermore, SBA had gaps in the system for identifying and reporting premium travel that resulted in submission of an inaccurate 2014 premium travel report to the General Services Administration (GSA). This occurred because SBA officials did not always follow SBA's travel policies and procedures. If these internal control deficiencies persist, SBA is more susceptible to incurring travel expenses that are unnecessary and appear frivolous or wasteful.

### **Temporary Duty Travel**

Travelers receiving TDY travel allowances process all official travel in the Concur system, including domestic and international trips. Required supporting documents include the travel authorization, which must be approved before travel occurs, and the travel voucher, which is approved subsequent to travel. However, we found instances where TDY travel authorizations were not approved appropriately before travel, authorizations or vouchers were not approved by the appropriate officials, and travel documentation was insufficient for reimbursement.

#### ***Lack of Prior Approval***

In 10 of the 40 TDY trips we reviewed (25 percent), we found that travelers did not obtain prior approval for actual lodging expenses above the maximum per diem threshold, travel dates and/or locations, or annual leave taken during travel.<sup>5</sup> Further, the travel documentation entered in the Concur system did not include any justifications to explain the reason for the lack of prior approval on the 10 authorizations where we identified deficiencies.

For instance, in 1 of the 10 trips, actual lodging expenses 199 percent above the per diem rate were not approved until 6 days after the trip and did not include a justification for the late approval. While travelers are allowed reimbursement for actual expenses up to 300 percent, prior approval from higher level officials is required due to the costly and unusual circumstances associated with expenses above the per diem rate.<sup>6</sup> Additionally, approval of actual expenses after a trip ends should only occur in exceptional circumstances, and should include an explanation as to why the traveler was unable to request authorization before travel.

In another example, a traveler extended trip dates and traveled to destinations that were not approved before travel. We did not take exception with the trip purpose or validity of the travel related expenses for the trip; however, applicable rules stress that travel destinations, dates, and expenses should be planned on the authorization for accurate

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<sup>5</sup> See Appendix II (Table 1) for detailed description of temporary duty travel without prior authorization.

<sup>6</sup> See Appendix III (Table C) for the actual expense and conference lodging authorizing and approving table.

budgetary planning and oversight. Without proper estimation of expenses on the travel authorization, travel obligations in the accounting system may be too low. This could lead to delays in processing times for reimbursement and late fee penalties for the Agency. Additionally, accurate travel authorizations help to provide authorizing officials with necessary oversight and visibility of travel to ensure it is the most advantageous method and in the Government's best interest.

According to SBA's SOP that governs the travel program, SBA travelers must obtain prior approval of all travel expenses on a travel authorization, except in emergency situations that make prior approval impracticable or impossible.

### ***Inappropriate Authorizing and Approving Officials***

We found that another subset of authorizations or vouchers was not approved by the appropriate officials for 9 out of 40 (23 percent) trips reviewed.<sup>7</sup> Each of the nine trips required authorization or approval from a higher level official.<sup>8</sup> For example, we identified instances where premium class trips, international travel, lodging expenses above per diem, and indirect travel were not routed to a senior level official, as required.<sup>9, 10</sup> In one example, the traveler's premium class airfare authorization was not approved by the Chief Financial Officer prior to travel, as required. Due to the high cost of premium class travel, the FTR includes specific guidelines meant to restrict premium travel. While travelers may meet the criteria and qualify for premium travel, agencies are directed to evaluate each application, decide whether the circumstances warrant it, and issue specific authorization before the traveler can travel premium class. In another example, the traveler's authorization for international travel was not approved by a senior level official such as the Administrator, Deputy Administrator, or the Chief of Staff, as required. SBA officials told us that employees traveling internationally should also submit a memorandum for approval by the Chief of Staff prior to travel. We did not find evidence of the approved memorandum or additional justification to explain why supporting documentation was missing in the Concur system.

In another instance, a senior level traveler conducted indirect travel on one trip and received lodging expenses above the per diem on another trip without consulting with the General Counsel or designated agency ethics official before or after travel, as required. SBA's SOP states that because of the opportunity for abuse, indirect travel should be subject to close scrutiny by authorizing and approving officials and payment processing staff.

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<sup>7</sup> Multiple authorizations and/or vouchers have more than one deficiency. Some trips are included in the calculated percentages for both subsets of deficiencies (lack of prior approval and inappropriate approvals). See Appendix II (Table 2) for detailed descriptions of temporary duty travel authorized and approved by incorrect officials.

<sup>8</sup> These trips require approval from a senior level official for premium travel, international travel, indirect or personal travel, or lodging expenses above per diem.

<sup>9</sup> Indirect travel is any travel that originates or terminates at an alternate location other than the employees official or temporary duty station.

<sup>10</sup> See Appendix III for SBA's designated authorization and approving officials.



## ***Inadequate Documentation***

Three trips within our sample did not include required documentation to support the reimbursement for lodging.<sup>11</sup> According to SBA guidance, employees should include receipts for lodging, common carrier transportation, rental vehicles, or any other expense over \$75.00 with travel vouchers in order to be reimbursed. However, guidance allows reimbursement without receipt if sufficient justification is included in Concur to describe the unusual circumstances surrounding the omitted receipt.<sup>12</sup> One traveler received a \$448.00 lodging reimbursement without the required receipts. In another instance, a traveler on an extended temporary duty assignment received lodging reimbursement for two trips totaling \$3,344 while the traveler was on a leave or non-travel status.<sup>13</sup> During these trips, the traveler stayed at a long term lodging facility requiring monthly rental payments. DFC officials told us that in this unique situation, travelers should include a cost comparison calculation in the Concur file to determine whether it is more cost efficient to pay for the lodging while the traveler is on a leave or non-travel status versus vacating the facility during the absence.

Overall, our analysis of the travel documentation found that there was not adequate justification to obtain lodging reimbursement for the three trips. For example, the Concur system did not include an explanation for the omitted lodging receipt or a cost comparison analysis to justify why the employee needed lodging while in a non-travel status. Therefore, without the required supporting documentation, we question the costs of the three trips totaling \$3,792.

## **Local Travel**

Local travel is defined as travel conducted within the local commuting area, including the official duty station and the extended 50-mile area. Travelers submit claims for reimbursement and obtain approval through a paper-based system on Standard Form 1164. We identified several local travel vouchers that were approved for reimbursement 3 months after travel.<sup>14</sup> While the SOP allows for voucher approval outside of the 3-month timeframe, those vouchers must be approved by a senior level official. We also found several vouchers submitted after the 3-month timeframe that were not approved by a senior level official. Although this was not a widespread issue, the Agency should take steps to ensure local travel vouchers are submitted in a timely manner and approved by the appropriate officials.

We believe that the issues presented in this finding may have occurred due to confusion amongst travelers, authorizing and approving officials, and the DFC regarding the type of review that each employee is expected to perform. For example, during our review, DFC officials told us that primarily the authorizing or approving officials, with support from the DFC personnel, are responsible for ensuring that travel authorizations and vouchers comply with regulations. However, when we presented our preliminary review results to SBA officials charged with management and oversight of the travel program, they stated that ultimately it is the responsibility

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<sup>11</sup> See Appendix II (Table 3) for detailed description of inadequate temporary duty documentation.

<sup>12</sup> Travelers may be reimbursed without receipts if the travel claim fully explains the reason, such as a practical impossibility, confidential travel, or a lost receipt without option for a duplicate.

<sup>13</sup> Travel conducted for 30 or more days is defined as an extended temporary duty assignment.

<sup>14</sup> According to the SOP, claims for reimbursement should be submitted as soon as possible, and no later than 3 months from the date of the earliest item on the Standard Form 1164.

of the traveler to ensure compliance. Additionally, the Agency did not always enforce the policies necessary to administer the travel program in accordance with governing regulations.

According to guidance, authorizing and approving officials are ultimately tasked with ensuring official travel is conducted in a responsible manner and in the Government's best interest. Furthermore, OMB Circular No. A-123 states that management has a fundamental responsibility to maintain effective internal control, and programs must operate and resources must be consistent with agency missions, in compliance with laws and regulations, and with minimal potential for waste, fraud, and mismanagement. We believe that without improved internal controls over SBA's review and approval process for domestic, international, and local travel, as well as adherence to governing policies, the Agency increases the risk of incurring travel expenses that are unnecessary and wasteful.

## **Recommendations**

We recommend that the Office of the Chief Financial Officer:

1. Reinforce the roles and responsibilities for travelers, authorizing and approving officials, and the Denver Finance Center to ensure compliance with Federal travel regulations and SBA travel program standard operating procedures. Communication aimed at authorizing and approving officials and the Denver Finance Center should include a focus on the following areas:
  - Prior authorization of all travel expenses, including actual lodging expenses, travel dates, travel locations, and annual leave;
  - Appropriate authorizing and approving officials for special circumstance trips;
  - Adequate documentation and sufficient written justifications required in the Concur system; and
  - Purpose and objective for every level of review.
2. Provide adequate documentation or seek recovery of \$448 for unsupported lodging reimbursement.
3. Conduct a cost comparison analysis to determine whether it would have been more cost effective for SBA to pay for the periods of unused lodging while the employee was on leave or non-travel status versus vacating the long-term lodging facility for the same time periods. If the analysis identifies that vacating the lodging facility would have resulted in a cost savings to the Agency, seek recovery of \$3,344 for unused lodging, if feasible.

## **Finding 2: Inaccurate GSA Premium Travel Report**

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Federal travel regulations require agencies to report annually to GSA any Federal employees' use of transportation accommodations other than coach class on official business no later than 60 days after the end of each fiscal year.<sup>15</sup> However, in 2014, SBA did not include one traveler's premium airfare trip on the premium class report submitted to GSA. As reported in Finding 1, the authorization for this premium class airfare trip was also not approved by the appropriate senior level official prior to travel. SBA officials told us that OCFO primarily relied on data tracked and stored with SBA's travel vendor, El Sol, rather than tracking the data internally. Because El Sol's data did not include all classes of premium airfare, this trip was omitted from the report.

After OIG notified the Agency of the inaccurate premium class report during this review, OCFO contacted El Sol to request an updated premium class report, which included all classes of premium transportation trips during 2014. The updated report only included one additional premium class trip. The Agency then reached out to GSA and corrected the 2014 premium class report to include this omitted trip. While we acknowledge these corrective actions, SBA must take steps to avoid omissions and inaccurate reporting in the future. Taxpayers fund all Federal agencies' travel expenses, including the more costly or premium accommodations. Without a strong system for accurately tracking and reporting premium travel, SBA cannot transparently show that Agency spending is justifiable and complies with applicable laws and regulations.

### **Recommendation**

We recommend that the Office of the Chief Financial Officer:

4. Ensure that SBA has a process in place to compile, verify, and report accurate premium travel data to stakeholders.

### **Analysis of Agency Response**

SBA management provided formal comments that are included in their entirety in Appendix V. SBA management agreed with our four recommendations and provided additional documentation to close three of the recommendations.

### **Summary of Actions Necessary to Close the Report**

The following provides the status of each recommendation and the necessary actions to either resolve or close the recommendation.

- 1. Reinforce the roles and responsibilities for travelers, authorizing and approving officials, and the Denver Finance Center to ensure compliance with Federal travel regulations and SBA travel program standard operating procedures. Communication aimed at authorizing and approving officials and the Denver Finance Center should include a focus on the following areas:**
  - **Prior authorization of all travel expenses, including actual lodging expenses, travel dates, travel locations, and annual leave;**

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<sup>15</sup> Federal Travel Regulation, Agency Reporting Requirements, Part 300-70.102

- **Appropriate authorizing and approving officials for special circumstance trips;**
- **Adequate documentation and sufficient written justifications required in the Concur system; and**
- **Purpose and objective for every level of review.**

**Resolved.** SBA management agreed with this recommendation and stated that it will develop a checklist that will be distributed to travelers to assure that correct documentation is attached in Concur. SBA will also include with this information a reminder about roles and responsibilities in an information notice by June 30, 2016. This recommendation will be closed upon receipt of the checklist, the information notice, and evidence that it was distributed to all SBA staff.

**2. Provide adequate documentation or seek recovery of \$448 for unsupported lodging reimbursement.**

**Closed.** SBA management agreed with this recommendation and stated that the omitted receipt was attached to a different travel voucher in Concur because it was related to a previous long-term trip. To receive reimbursement for travel SBA's guidance requires the traveler to include lodging receipts in the Concur system and that the approving officials review those receipts for accuracy. In the future, we believe that lodging receipts should be included with the correlating voucher so that the approving official can have proper oversight over the trip to ensure the claim is prepared in accordance with the FTR and Agency procedures. We assessed Concur and verified that the documentation is attached to the previous trip's travel voucher. Therefore, this recommendation is considered closed.

**3. Conduct a cost comparison analysis to determine whether it would have been more cost effective for SBA to pay for the periods of unused lodging while the employee was on leave or non-travel status versus vacating the long term lodging facility for the same time periods. If the analysis identifies that vacating the lodging facility would have resulted in a cost savings to the Agency, seek recovery of \$3,344 for unused lodging, if feasible.**

**Closed.** SBA management agreed with this recommendation and provided the cost benefit analyses in connection with the decision to pay for unused lodging. The cost benefit analyses were approved by the Associate Administrator of Field Operations and retained by the traveler, not in the Concur system where the approving official would have oversight. In the future, the traveler should input these analyses in the Concur system so that the approving official can ensure the travel is the most advantageous to the Government. After receiving the cost benefit analyses, we assessed the justification and believe that it was sufficient for the unused lodging. Therefore, this recommendation is considered closed.

**4. Ensure that SBA has a process in place to compile, verify, and report accurate premium travel data to stakeholders.**

**Closed.** SBA management agreed with the recommendation and provided an email from GSA, dated March 7, 2016, notifying SBA that starting in FY 2016, GSA will rely on the Concur system for premium travel reporting. Additionally, SBA's access to the GSA's Travel MIS system will be removed on March 18, 2016. Therefore, this recommendation is considered closed.

## **Appendix I: Scope and Methodology**

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The objective of our review was to determine whether SBA's executive and political appointee travel practices are in compliance with Federal travel regulations and SBA policies and procedures.

Our scope included domestic, international, and local travel taken by executives, political appointees, and other selected individuals from January 1, 2014, to March 31, 2015. To achieve our objective, we selected a judgmental sample of 40 domestic and international trips totaling approximately \$148,000. We based our sample selection on highest dollar trips and identified risks to determine whether the travel authorizations and vouchers for these trips were authorized and approved in accordance with Federal travel regulations and SBA travel policies. Specifically, we tested each sample for certain risk factors including: accurate approvals, premium travel, personal and indirect travel, annual leave during travel, cash advances, and costly ground transportation. We also reviewed the local travel vouchers for compliance with Federal travel regulations of another 13 individuals. This judgmental sample was selected based primarily on the cost of ground transportation.

Additionally, we interviewed personnel from the Denver Finance Center to gain an understanding of the processes surrounding the Concur system and the authorization and approval of travel authorizations and vouchers. We also obtained an understanding of laws, regulations, and SBA policies and procedures regarding its travel program, as a basis for our review.

We conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation. Those standards require that we adequately plan and perform the evaluation to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

### **Use of Computer-Processed Data**

We relied on data generated in the Concur system to develop our universes and select our samples for executive and political appointee travel. We verified Concur records to source documents such as flight reservations and hotel and taxi receipts. As a result, we believe the information is reliable for the purposes of this review.

## Appendix II: Temporary Duty Travel Deficiencies

**Table 1. Temporary Duty Travel without Prior Authorization (1/1/2014 - 3/31/2015)**

	Travel Dates	Authorization #	Voucher #	Issue Type*	Issue
1	8/23/14 - 8/30/14	TANUM007251	VCH004746	A	The traveler's actual lodging expenses were approved 30 days after travel was completed.
2	5/11/14 - 5/15/14	TANUM004155	VCH002544	A	The traveler's actual lodging expenses were approved 4 days after travel was completed.
3	3/1/15 - 3/4/15	TANUM009978	VCH006932	A	The traveler's actual lodging expenses were approved 6 days after travel was completed.
4	5/11/14 - 5/15/14	TANUM004158	VCH002546	A	The traveler's actual lodging expenses were approved while the traveler was in a temporary duty travel status.
5	3/1/15 - 3/4/15	TANUM009976	VCH006743	A	The traveler's actual lodging expenses were approved 6 days after travel was completed.
6	3/15/15 - 3/20/15	TANUM010419	VCH007073	A/B	The traveler's actual lodging expenses were approved 6 days after travel was completed. Additionally, the traveler's per diem expenses were not accurately estimated and approved on the travel authorization for one destination prior to travel.
7	2/16/14 - 3/4/14	TANUM001292	VCH001407	B	The traveler's per diem location expenses and extended dates were not approved prior to travel.
8	3/15/15 - 3/20/15	TANUM010387	VCH007011	B	The traveler's per diem location expenses were not accurately estimated and approved on the travel authorization for one destination.
9	9/1/14 - 9/6/14	TANUM007224	VCH004879	B	The traveler's per diem expenses were not accurately estimated and approved on the travel authorization for one destination prior to travel.
10	3/9/14 - 3/16/14	TANUM002176	VCH001506	C	The traveler's annual leave was not approved prior to travel.

Source: Travel documentation obtained from the Concur electronic reimbursement system.

### \*Issue Type

- A** Actual Expenses. Actual expenses should be authorized in writing 5 days in advance of travel. Actual expenses approved after travel should only occur in exceptional circumstance and must be submitted within 5 days after travel is completed.
- B** Per Diem expenses. Prior authorization for travel must be obtained before any travel expenses are incurred, except for emergency situations. Additionally, travel authorizations must include an estimate of travel costs including lodging, meals and incidentals, and other expenses.
- C** Annual Leave. Travelers must provide sufficient information about personal or indirect travel on the travel authorization. Any leave taken in conjunction with personal travel during temporary duty must be authorized in advance.

**Table 2. Temporary Duty Travel Authorized and Approved by Incorrect Official  
(1/1/2014 - 3/31/2015)**

	Travel Dates	Authorization #	Voucher #	Issue Type*	Issue
1	8/23/14 - 8/30/14	TANUM007251	VCH004746	A	The traveler's airfare upgrade to business class was not authorized and approved by the Chief Financial Officer.
2	2/27/15 - 3/7/15	TANUM009173	VCH006895	B	The traveler's international trip was not authorized by a senior official such as the Administrator, Deputy Administrator, or Chief of Staff prior to travel.
3	3/19/14 - 3/16/14	TANUM002176	VCH001506	B	The traveler's international trip was not authorized by a senior official such as the Administrator, Deputy Administrator, or Chief of Staff prior to travel.
4	7/20/14 - 7/22/14	TANUM006257	VCH003956	C	The traveler's personal travel was not approved by the General Counsel (GC) or the Designated Agency Ethics Official (DAEO) on the travel authorization. Also, the voucher for the personal travel was not reviewed by the GC or DAEO prior to approval.
5	9/2/14 - 9/7/14	TANUM007101	VCH004823	C	The traveler's indirect travel was not approved by the GC or DAEO on the travel authorization. Also, the voucher for the indirect travel was not reviewed by the GC or DAEO prior to approval.
6	3/31/15 - 4/2/15	TANUM010828	VCH007242	C	The traveler's indirect travel was not approved by the GC or the DAEO on the travel authorization. Also, the voucher for the indirect travel was not reviewed by the GC or DAEO prior to approval.
7	8/24/14 - 8/29/14	TANUM007074	VCH004817	C/D	The traveler's indirect travel was not approved by the GC or the DAEO on the travel authorization. Also, the voucher for the indirect travel was not reviewed by the GC or DAEO prior to approval. Additionally, the traveler's request for actual lodging expense 269% above the per diem was not approved by the Chief Operating Officer with Office of General Counsel concurrence.
8	5/11/14 - 5/15/14	TANUM004155	VCH002455	D	The traveler's request for actual lodging expense 125% above the per diem was not approved by the Chief Financial Officer or Deputy Chief Financial Officer.
9	9/1/14 - 9/16/14	TANUM007224	VCH004879	D	The traveler's request for actual lodging expense 262% above the per diem was not approved by the Chief Operating Officer.

Source: Travel documentation obtained from the Concur electronic reimbursement system.

**\*Issue Type**

- A Premium Travel.** Premium travel, or upgrades to business or first class must be authorized and approved by the Chief Financial Officer in accordance with SOP 20 11 6 Appendix 9 (See Appendix III).
- B International Travel.** International travel must be authorized by the Administrator, Deputy Administrator, or Chief of Staff in accordance with SOP 20 11 6 Appendix 9 (See Appendix III).
- C Indirect personal travel.** Indirect or personal travel must be authorized by the General Counsel (GC) or Designated Agency Ethics Official (DAEO) and the voucher must be reviewed by the GC or DAEO for certain employees in accordance with SOP 20 11 6 Appendix 8 (See Appendix III).
- D Actual Expense.** Request for actual expense, depending on the percentage above the per diem, must be approved by designated senior level approvers listed in SOP 20 11 6 Appendix 11 (See Appendix III).

**Table 3. Inadequate Temporary Duty Documentation (1/1/2014 - 3/31/2015)**

	<b>Travel Dates</b>	<b>Authorization #</b>	<b>Voucher #</b>	<b>Issue Type*</b>	<b>Issue</b>
<b>1</b>	4/29/14 - 5/8/14	TANUM004712	VCH002897	A	The traveler did not submit lodging receipts for two days of travel, totaling \$448.00.
<b>2</b>	7/22/14 – 8/12/14	TANUM004201	VCH004295	B	The traveler requested lodging reimbursement for 6 days of absence during travel, totaling \$1,374. The Concur file did not include a justification or cost comparison analysis to justify this occurrence.
<b>3</b>	12/31/14 -1/31/15	TANUM008508	VCH006607	B	The traveler requested lodging reimbursement for 10 days of absence during travel, totaling \$1,970. The Concur file did not include a justification or cost comparison analysis to justify this occurrence.

**Source:** Travel documentation obtained from the Concur electronic reimbursement system.

**\*Issue Type**

**A Lodging Receipts.** In order to obtain reimbursement for lodging, receipts are always required according to SBA SOP 20 11 6.

**B Unused Lodging.** Travelers should include a cost comparison calculation in the Concur file to determine whether it is more cost efficient to pay for lodging while the traveler is on a leave or non-travel status versus vacating the long-term lodging facility during the absence.



## Appendix III: Authorization and Approval Tables

### A. Authorization and Approval Table SOP 20 11 6, Appendix 8

Employee Traveling	*Authorizing Official (SBA Form 21)	*Approving Official (Standard Form 1012)
Administrator or Deputy Administrator where travel involves only official events	Chief of Staff	Chief Financial Officer
Administrator or Deputy Administrator where travel includes personal, indirect travel, or alternate locations, no mixed travel	General Counsel (GC) or Designated Agency Ethics Official (DAEO)	Chief Financial Officer (after review by GC or DAEO)
Chief of Staff	Administrator or Deputy Administrator	Administrator or Deputy Administrator
Associate Deputy Administrators and all Direct Reports to the Office of the Administrator	Administrator, Deputy Administrator or Chief of Staff	Administrator, Deputy Administrator or Chief of Staff
Regional Administrators within their area of jurisdiction, under 12 hours, no M&IE, <u>no</u> alternate locations or personal/indirect travel, no overnight stay (non SBA-21 type travel).	Associate Administrator for Field Operations	Associate Administrator for Field Operations
Regional Administrators where travel is outside their area of jurisdiction or <u>includes</u> M&IE, lodging, alternate locations, personal/indirect travel, or involves day only international travel.	Associate Administrator for Field Operations	Associate Administrator for Field Operations
District Directors within their area of jurisdiction and no per diem involved (e.g., under 12 hours, no M&IE, <u>no</u> alternate locations or personal or indirect travel, no overnight stay (non SBA-21 type travel)).	Respective Regional Administrator	Respective Regional Administrator
District Directors where travel is outside their area of jurisdiction or <u>includes</u> M&IE, lodging, personal/indirect travel, alternate locations, or involves day only international travel.	Respective Regional Administrator	Respective Regional Administrator
Field Employees (other than Headquarters Post of Duty Employees)	Respective Office or Center Director or Regional Administrator	Respective Office/Center Director or Regional Administrator (from paying office)
National Women's Business Council (NWBC) Executive Director and all other NWBC staff members.	Associate Deputy Administrator (ADA) for Management Administration (M&A)	ADA for M&A
Headquarters Employees not otherwise listed (including Post of Duty Employees)	Appropriate authorizing official or their designee	Appropriate approving official or their designee

Employee Traveling (cont.)	*Authorizing Official (SBA Form 21)	*Approving Official (Standard Form 1012)
Inspector General	Designated Official - needs to be filed with the Office of Administration and Denver Finance Center	Designated Official - needs to be filed with the Office of Administration and Denver Finance Center
Chief Counsel for Advocacy	Designated Official - needs to be filed with the Office of Administration and Denver Finance Center	Designated Official - needs to be filed with the Office of Administration and Denver Finance Center
Office of Inspector General and Office of Advocacy Employees	Appropriate Higher Level Manager	Appropriate Higher Level Manager
Disaster Employees	Associate Administrator (AA) for Disaster Assistance or any delegation approved by the AA for Disaster Assistance	AA for Disaster Assistance or any delegation approved by the AA for Disaster Assistance
Employees participating in SBA Centralized training	Chief Human Capital Officer (CHCO) and Designated Training Officials	CHCO and Designated Training Officials
Bargaining Unit and Representative participating in SBA directed meetings and activities	CHCO	CHCO

\* Deputy positions and those "Acting" in a capacity have the same authorizing authority as those positions named.

**B. Special Authorizations and Post Approvals Table**  
**SOP 20 11 6 - Appendix 9**

<b>International Travel</b>	
Rest Stop on International Flights	Authorizer of Regular Travel per Appendix 8
TMC use waiver	Chief Financial Officer (CFO)
Nonrefundable ticket use	Authorizer of Regular Travel per Appendix 8
Mixed travel	Designated Agency Ethics Official
Limited Open Authorizations	Authorizer of Regular Travel per Appendix 8
Unlimited Open Authorizations	Administrator
Travel card use exception	CFO
Reduction of per diem	CFO, Associate Administrator (AA) for Disaster Assistance (for ODA only)
Upgrades to First or Business Class	CFO
Forfeited lodging deposits and ticket fees	Approving official or higher level authority as appropriate
Post-authorizations for vehicles not originally authorized, or for Non-SDDC vehicles	Approving official or higher level authority as appropriate
Authorizations and post approvals for Non-Common carriers such as boat, private plane	Approving officials, Administrator/Deputy Administrator for Management Board Members
Take a GOV home	Administrator
Post approvals of actual expense	Chief Operating Officer or designee
ATM advances in excess of normal	Approving official, Disaster Area Directors for Office of Disaster Assistance
Waivers to the Fly America Act	COO, Chief of Staff
Appeal of denials of reimbursement for Fly America Act violations	Administrator, Deputy Administrator
50 mile rule waivers	
Regional and Field Offices	AA for Field Operations
HQ employees (including Center employees)	CFO
Office of Inspector General	Inspector General
Office of Disaster Assistance	AA for Disaster Assistance
Gift Travel	DAEO or designee
Hotel/Motel Fire & Safety waiver	COO
Waiver of receipts due to confidentiality	General Counsel
Processing of 1012s/1164s for de-obligated funds, expired years, or vouchers over 3 months old	CFO or designee
Travel reimbursement disallowance appeals	CFO or designee
1164 with single items in excess of \$350	CFO or designee
Waiver for travel overpayments	CFO or designee
Up to 14 days per diem while sick on travel	CFO, AA for DA (for ODA only)
For all of the categories above, the Inspector General, or designee, will have the authority to make these determinations for OIG employees.	

\* Deputy positions and those "Acting" in a capacity have the same authorizing authority as those positions named.

**C. Authorization and Approval Table - Actual Expense & Conference Lodging Table  
SOP 20 11 6 - Appendix 11**

<b>Employee Traveling</b>	<b>Up to 150 Percent</b>	<b>151 to 300 Percent</b>
Administrator or Deputy Administrator	Chief Financial Officer/Deputy Chief Financial Officer	Chief Operating Officer with OGC concurrence
Chief of Staff	Administrator or Deputy Administrator	Administrator or Deputy Administrator with OGC concurrence
District Director	Through Regional Administrator to Associate Administrator for Field Operations	Through Field Operations to Chief Operating Officer
Regional Administrator	Associate Administrator for Field Operations	Through Field Operations to Chief Operating Officer
Field Employees (other than Headquarters Post of Duty Employees)	Through District Director or Regional Administrator to Associate Administrator for Field Operations	Through Field Operations to Chief Operating Officer
Associate Deputy Administrators and all Direct Reports to the Office of the Administrator	Administrator, Deputy Administrator or Chief of Staff	Chief Operating Officer
Executive Director, Women’s Business Council	Associate Deputy Administrator for M&A	Chief Operating Officer
Headquarters Employees not otherwise listed (including Post of Duty Employees)	Appropriate Associate Deputy Administrator, Associate Deputy Administrator for M&A or Chief of Staff	Chief Operating Officer
Office of Inspector General and Office of Advocacy Employees	Inspector General/Chief Counsel for Advocacy	Inspector General/Chief Counsel for Advocacy
Associate Administrator for Disaster Assistance	Administrator, Deputy Administrator or Chief of Staff	Chief Operating Officer
Disaster Employees	Associate Administrator of Disaster Assistance	Chief Operating Officer
Inspector General and Chief Counsel for Advocacy	Self-Appointed Official	Self-Appointed Official

**\* Deputy positions and those “Acting” in a capacity have the same authorizing authority as those positions named.**

## Appendix IV: Questioned Costs

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**Table 4. OIG Schedule of Questioned Costs<sup>16</sup>**

Amount	Description	Explanation
\$3,792	Unsupported reimbursement claims	Lodging reimbursement received without adequate documentation to support claims.
\$3,792	<b>Total Questioned Costs</b>	

**Source: Generated by OIG based on analysis of SBA's temporary duty travel.**

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<sup>16</sup> Questioned costs are expenditures that are not supported by adequate documentation at the time of the audit or otherwise do not comply with legal, regulatory, or contractual requirements.

SBA  
OFFICE OF THE CHIEF FINANCIAL OFFICER'S  
RESPONSE TO EVALUATION REPORT



**SMALL BUSINESS ADMINISTRATOR  
Office of Chief Financial Officer**

Project Number: 15009

**Date:** March 10, 2016  
**To:** Troy M. Meyer  
**FROM:** Tami Perriello  
Associate Administrator for Performance Management & Chief Financial Officer  
**SUBJECT:** Response to SBA Executive and Political Appointee travel

The Office of Chief Financial Officer (OCFO) appreciates the opportunity to review and respond to the draft report "Review of SBA Executive and Political Appointee Travel".

OCFO concurs with the four recommendations outlined in the draft report. In fact, we have already taken actions to resolve the recommendations and feel that there is sufficient documentation to close three of them. The OCFO has attached the SBA Forms(s) 1824, Recommendation Action Sheets.

If you have any questions, please contact Tim Gribben at (202) 205-7565 or Melissa Atwood at (303) 844-0538.