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MEMORANDUM

TO: All State Agencies
Attention Chief Financial Officers (CFOs)

FROM: D. Clark Partridge, State Comptroller

DATE: December 13, 2007

SUBJECT: Statewide Travel Reimbursements to "Non-Compensated" Individuals

As mentioned in the November 19, 2007 memo titled: Statewide Travel Policy and Travel Claim Processing Changes, the General Accounting Office (GAO) is continuing our efforts to roll out the new process for paying travel claims. In the last few weeks, we have received a variety of questions from agencies regarding the payment of travel claims to "non-compensated" individuals. This memo continues the clarification process by defining who is eligible to receive compensation, and what steps are required from the agencies to ensure proper payment of these claims beginning in January 2008.

With regard to eligibility for travel reimbursements the person must be an employee or officer of the State. To be defined as an officer of the state, the person must be participating on a board, commission, authority, council or committee created by law, the Governor or by an Agency Head with the proper authorization to create such an entity. Other designations are not authorized to receive travel reimbursements under State Statute and the State travel policy. Contractors may be eligible to receive travel reimbursements if it is specifically stated or agreed to in the contract, but their payments will be processed through the Arizona Financial Information System (AFIS) as Professional & Outside Services expenditures and will be 1099 reportable.

Under this definition, the GAO is requesting that agencies review those individuals who will be eligible to receive travel reimbursements. As a reminder, some boards, councils, commissions, etc. are by law specifically not eligible for travel reimbursement. For agencies with qualifying individuals that are not currently in HRIS, a new position will need to be established. The following steps will need to be completed by Agency staff before these individuals can receive travel reimbursements:

- Determine the Process Level and Department to house the new position. HRIS and the GAO recommend that agencies use an existing Process Level/Department to ease in payroll processing. Work with your Agency HR office for assistance on this process.
- Complete the position Excel spreadsheet available on the GAO website, and send the completed request to Evelyn Flores in the ADOA Central Classification and Compensation group. You can reach Evelyn at evelyn.flores@azdoa.gov. Please copy the GAO webmaster (gaowebmr@azdoa.gov) on the position requirement request. ADOA Central Classification and Compensation will setup the position and notify you when the position is available. Please submit all position requests by **December 18, 2007**.

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- You will be notified when the position number has been established by ADOA Central Classification and Compensation. Positions are expected to be established no later than January 1, 2008. At that time, the Agency HR department will have to hire all eligible individuals requesting reimbursement. This step must be performed before they can be paid and takes up to 24 hours for complete processing.
- Obtain and document EIN, Position and Job Code of all individuals being paid out of HRIS. Distribute the EIN numbers to the impacted individuals.
- Ensure that all these eligible individuals are completing and submitting State of Arizona Travel Claim forms as defined by your agency processes.

REMEMBER: The steps mentioned above must be completed before these individuals can receive compensation for travel after January 1, 2008.

In addition, as mentioned in our earlier memo, training courses have been established for the Agency Travel Management Specialist beginning December 17, 2007. Please go to the Arizona Government University Website (www.azqu.gov) and enroll all applicable agency staff.

REMEMBER: To input travel claims in January, your staff will be required to complete this training course.

Thank you for your support during this important transition. Should you have an immediate concern or questions regarding this change, please contact the Deputy State Comptroller, Mike Smarik at 602-542-1672.

cc: Agency HR Managers
Agency Payroll Coordinators
Agency Budget Officers