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JAMES M. SCHIPPER  
SUPERINTENDENT

December 16, 2013  
*Via Electronic Mail*

Mr. Edwin G. Cook  
Sr. Legal Counsel  
State Capitol  
Des Moines, IA 50319

Re: State Government Efficiency Review Committee Suggestion

Dear Mr. Cook:

Thank you for giving agency heads the opportunity to make suggestions for improving efficiency of state government. A large percentage of the Iowa Division of Banking's (IDOB) employees are bank examiners who travel throughout the state to examine entities regulated by the IDOB. As a result, they prepare, and our administrative staff must process, a large number of travel expense claims each year. The State's policy of requiring actual receipts for meal reimbursements while traveling on state business is an area where we feel the true costs of the policy do not support any savings achieved. As a result, we suggest the Committee review the processes for reimbursing state employees for meal expenses incurred while traveling on state business.

### **Background Information**

Beginning July 1, 2009, the State implemented a policy requiring actual receipts for meal reimbursements. This policy was accompanied by a number of very specific requirements for implementing the policy change. For example, the policy specifies what information must be contained on receipts, and if a receipt does not contain the required information, it includes procedures for submitting a "non-standard" receipt. Also, receipts must be scotch-taped onto one side of an 8½ x 11 piece of paper when they are submitted. Because of the detailed nature of the requirements, an IDOB employee preparing a claim must take additional time to ensure all of the requirements are met. And once an IDOB employee submits a travel reimbursement claim, it is checked by three different people in the IDOB before sending it to DAS-SAE for payment. DAS-SAE checks the claims too.

Bank examination requires highly specialized and well-trained examiners. The time examiners must spend preparing an expense claim with meal receipts is not well spent. Most importantly, we cannot tell that it is actually saving money. During the most recent fiscal year ended June 30, 2013, taking the number of expense claims submitted and estimating an employee spends 45 minutes in preparation time, we estimate the actual IDOB cost of preparing expense claims for

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submission is approximately **\$31,000** in salary dollars spent preparing expense claims. Given our total meal expense reimbursement for the same fiscal year amounted to a total of **\$41,657.52**, it appears that our staff has not saved any real money by having to provide receipts to justify their meal reimbursements. Adding the true cost of checking claims for compliance with all of the nuances of the receipts rules further increases the true cost of the meal receipts requirement.

**Proposal**

Currently, the maximum a state employee may be reimbursed for meals while traveling in-state is \$28.00. We would suggest a flat daily per-diem of \$25.00 in return for the elimination of the receipts requirement, using the following guidelines:

**Breakfast/Lunch \$10.00; Lunch/Supper \$22.00; All Day \$25.00**

Adopting this proposal would substantially reduce the amount of staff time spent both in preparing and processing expense claims. This proposal would also facilitate adoption of an electronic process for submitting expense claims because it would no longer be necessary to scotch-tape receipts to a piece of paper to attach to the claim.

Thank you for your consideration in this matter.

Sincerely,

  
James M. Schipper  
Superintendent