

**PUBLIC NOTICE OF A MEETING
TAKE NOTICE OF A BOARD OF COMMISSIONERS
Audit and Budget Committee Meeting
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**Thursday, July 16, 2020
10:30 AM**

**TO BE HELD
Via Conference Call
+1 (312) 757-3121 Access Code: 653-997-133**

A RECORDING OF THE MEETING WILL BE POSTED ON HACA'S WEBSITE
WWW.HACANET.ORG/BOARD WITHIN TWO BUSINESS DAYS AFTER THE
MEETING DATE

The Audit and Budget Committee will meet from 10:30 am - 12:00 pm

The Committee's objective is to provide the Board with an opportunity to review finance budgets, operations and policies to ensure that HACA's strategic and program goals are being met. The Audit and Budget Committee consists of all members of HACA's Board of Commissioners. No votes on any matter shall be taken during the Audit and Budget Committee Meeting.

CALL TO ORDER, ROLL CALL

CERTIFICATION OF QUORUM

CONSENT ITEM:

- 1. Presentation, Discussion, and Possible Action regarding approval of the Board Minutes Summary for the Audit and Budget Committee meeting of May 21, 2020**

ITEMS TO BE DISCUSSED:

- 2. Report on updated Capitalization Policy**
- 3. Report on updated Travel Policy**
- 4. Report on open items from last meeting**

ADJOURNMENT

"Pursuant to 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en este reunión con una arma o pistola.

"En virtud de 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.

*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the

agenda on an as needed basis.

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x2104.

AUDIT AND BUDGET COMMITTEE

BOARD ACTION REQUEST

EXECUTIVE ITEM NO. 1.

MEETING DATE: July 16, 2020

STAFF CONTACT: Michael Gerber, President & CEO

ITEM TITLE: Presentation, Discussion, and Possible Action regarding approval of the Board Minutes Summary for the Audit and Budget Committee meeting of May 21, 2020

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

The Board is being asked to review and approve the the Audit and Budget Committee meeting of May 21, 2020.

ATTACHMENTS:

- ▣ **20200521 Audit & Budget Committee Summary**

**THE HOUSING AUTHORITY OF THE CITY OF AUSTIN
BOARD OF COMMISSIONERS
AUDIT AND BUDGET COMMITTEE MEETING**

May 21, 2020

SUMMARY OF MINUTES

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS AUDIT AND BUDGET COMMITTEE MEETING NOTICE WAS POSTED FOR 11:15 A.M. ON THURSDAY, MAY 21, 2020, AND WAS HELD VIA CONFERENCE CALL FROM THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX

Audit and Budget Committee - HACA's Audit and Budget Committee will met from 11:15 am - 12 Noon. The Committee's objective is to provide the Board with an opportunity to review finance budgets, operations and policies to ensure that HACA's strategic and program goals are being met. The Audit and Budget Committee consists of all members of HACA's Board of Commissioners. No votes on any matter shall be taken during the Audit and Budget Committee Meeting.

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

Edwina Carrington, HACA Audit and Budget Committee Vice-Chairperson called the Board of Commissioners Audit and Budget Committee Meeting of the Housing Authority of the City of Austin, of May 21, 2020, to order at 11:17 a.m. The meeting was held via Conference Call from the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present on the call.

MEMBERS PRESENT:

Edwina Carrington, Vice-Chairperson
Carl S. Richie, Jr., Commissioner
Mary Apostolou, Commissioner
Dr. Tyra Duncan-Hall, Commissioner

MEMBER(S) ABSENT:

Charles Bailey, Chairperson

ALSO ON THE CALL:

Wilson Stoker, Cokinos, Bosien & Young

STAFF PRESENT ON THE CALL:

Andrea Galloway, Ann Gass, Jimi Teasdale, Gloria Morgan, Lisa Garcia, Martha Ross, Michael Cummings, Michael Gerber, Nidia Hiroms, Pilar Sanchez, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

Items discussed:

1. Policy for Petty Cash Fund from \$200.00 to \$500.00

Resolution No. 1265 was approved in 1993 to establish a \$200.00 petty cash fund and was subsequently updated with Resolution No. 1436 in 1996 and Resolution No. 1562 in 1997 to delete references to departments and procedures that were no longer applicable. As HACA has grown since the petty cash was established, replenishment at \$500.00, would require less trips to the bank, while still maintaining internal controls over petty cash.

This new policy will:

1. Ratify prior use of \$300.00 as the petty cash reimbursement threshold, and \$500.00 used most recently, at year ended March 31, 2020;
2. Update procedures and personnel responsible for petty cash; and
3. Standardizes the look of HACA's Financial Policies going forward.

The Finance Department maintains a petty cash fund of \$500.00 in a locked and controlled space, mainly for reimbursement of small expenditures. Staff provides receipts, along with a form approved by their manager, for expenditures up to \$25.00 as outlined in the Policy attached as an Exhibit. When the fund is close to depletion, it will be replenished to \$500.00.

2. Policy for Allowance for Doubtful Accounts (Bad Debt)

The regulations of the U.S. Department of Housing and Urban Development require the Commissioners of housing authorities to approve LIPH bad debt write-offs for tenants who no longer live at these properties. Exhibit 1, attached, reflects amounts due by tenants who moved out LIPH, and covers the six-month period ending February 29, 2020.

Although formal approval of uncollectible write-offs for PBRA (RAD) properties is not required by the Department of Housing and Urban Development, Exhibit 2, attached, reflects write-offs for the six-month period ending February 29, 2020 for Board review.

LIPH and PBRA (RAD) uncollectible tenant accounts receivable were compiled from their respective accounting systems and were confirmed with staff and their management as uncollectible. Of the total uncollectible for this period, statistics were gathered for the type of write-off (e.g., rent, repairs, legal, late fees, utilities, other, etc.). Statistics were also gathered for comparison to prior periods.

In order to not overstate Revenues or Accounts Receivable, the U.S. Department of Housing and Urban Development require that Generally Accepted Accounting Principles be followed, to estimate bad debts in the periods incurred. HACA has been recording allowances for bad debt at year end as reported and documented in various audits.

The Financial Policy - Allowance for Doubtful Accounts, describes the scope, context, background, financial presentation, sample methodology, documentation, approval, definitions, authority and flowchart.

3. Update on Finance activities

The meeting adjourned at 11:57 a.m.

Michael G. Gerber, Secretary

Edwina Carrington, Vice-Chairperson

AUDIT AND BUDGET COMMITTEE

REPORT

FINANCE ITEM NO. 2.

MEETING DATE: July 16, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Report on updated Capitalization Policy

BUDGETED ITEM: N/A

TOTAL COST: N/a

ACTION

In today's Board meeting, we will ask the Board to update the Capitalization Policy in effect since 2001 and ratify the following items in use during FY20:

- A. Scope of policy - all of HACA and it's blended component units (a.k.a. subsidiaries), except when superceded by a third party contract.
- B. Asset Life Categories and Asset Lives
- C. Physical Inventory of assets required at least biennially (every other year).

We plan another update to the Capitalization Policy later this year.

SUMMARY

Background:

HUD requires that housing authorities have a Capitalization Policy. Asset lives and asset categories are common practice for standard financial statement presentation (which is different than IRS asset depreciation schedules allowed).

Process:

We reviewed existing practices in effect and aligned with policy for consistency.

Staff Recommendation:

Approval is recommended.

ATTACHMENTS:

- **Capitalization Policy from 2001 - updated July 2020**

HOUSING AUTHORITY OF THE CITY OF AUSTIN

CAPITALIZATION POLICY

Resolution No. 1784, revised and adopted November 14, 2001

Amendment 1:

The scope of this policy has been for HACA and all of its blended component units, unless super-ceded by a third party contract.

The Housing Authority of the City of Austin shall capitalize all real property including, land and land improvements, building and building improvements, and leasehold improvements, donated, purchased or constructed using operating funds, retained earnings, borrowed funds or donated funds. Any costs that do not add value to these assets such as relocation costs and administrative costs shall be expensed.

Personal assets such as vehicles and equipment with a unit cost of \$2,500 or greater donated or purchased using operating funds, retained earnings, borrowed funds or donated funds shall be capitalized for budgetary and financial control purposes.

Items capitalized shall be shown as assets in the financial records of HACA. Both personal assets and real property excluding land will be depreciated over the useful lives of the asset.

HACA shall follow Generally Accepted Accounting Principles (GAAP) applicable to governmental and enterprise fund accounting as the basis for accounting and recording these fixed assets transactions.

Amendment 2:

Historical Asset Lives in use since inception for annual depreciation are:

Buildings and Building Improvements	7 – 40 years
Non-Dwelling Building	5 – 40 years
Equipment	3 – 10 years
Site Improvements	7 – 30 years

Amendment 3:

Physical Inventory will be conducted at least once every two years to verify asset value remains appropriate on the financial records; for example, a review for obsolescence, impairment and existence. (Does the item work, is it broken, is it outdated, etc.)

AUDIT AND BUDGET COMMITTEE

REPORT

FINANCE

ITEM NO. 3.

MEETING DATE: July 16, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Report on updated Travel Policy

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

HACA plans two updates to the Travel Policy:

1. The first update, presented today in the regular Board meeting, updating the existing 2011 policy to allow for: (a) scanned and paperless travel reimbursement receipts and (b) airport parking rate of \$11, rather than \$10/day, ratified and effective during fiscal year 2020, and
2. A complete update to the Travel Policy, to be presented in the October Budget and Audit Committee Meeting, including items like airport parking rates updated annually to ABIA published economy rate, support for an updated paperless travel advance and reimbursement process, new workflow routing, and roles and responsibilities.

SUMMARY

Background:

To allow for technology and efficiency improvements, HACA's existing Travel Policy approved in 2011 would be amended to allow paperless (electronic/scanned) receipts, in addition to original paper receipts, for travel expense reimbursements.

After the 2019/2020 pilot period for the new process, HACA will have a transition period where Travelers will also be asked to send the original paper receipt to Finance for a period of two years, to allow for internal and external audit to compare original receipts to the electronic receipts. During this same time frame, we will ask all stakeholders, grantors and partners to amend contract renewals to allow for electronic receipts as the new normal, for expense support and periodic audit.

The amendment to the 2011 policy is shown as new provision II - B - 5 (Traveler Responsibilities) in the attached Exhibit. Parking rate updates are shown in IV - E - 3 (Airport Parking) in the attached 2011 Policy.

Process:

HACA Finance developed a software-enabled tool and process in-house in fiscal year 2019. In collaboration with the HACA Travel Coordinator and a cross-functional pilot group of users, the new workflow was tested in fiscal year 2020. This new process improved efficiency (less resources, faster review, centralized data, standardized review and added internal controls). Finance could then harvest and redirect staff time from the old travel process, to more value-added work (e.g., with higher dollars, higher risk) to maximize best use of staff time. Developing the process, software, templates and sufficient workflow within Finance, rather than purchasing expensive, third-party products for expense processing, allowed for customization for annual GSA rates per zip code in the U.S. (destination city) and federal per diem rates, not commonly available in third party vendor products (which would come with monthly license and user fees in perpetuity). A key component of the new travel advance and reimbursement process was to go paperless. Our external independent auditors recommend we update our Travel Policy to accept paperless (scanned, electronic receipts) to pair with the process improvement, as previously, only original paper-based receipts were allowed.

Amending the Travel Policy in place since 2011, the change to allow electronic (scanned receipts, or cell phone copies of receipts) would be ratified and effective fiscal year 2020. The traveler either takes a cell phone picture of the receipt in a legible clear manner, or scans paper receipts when they arrive home using a copier/scanner. The traveler then aggregates their electronic receipts, organizes them as sequentially as possible and submits them at the same time as an attachment to the reimbursement form, which is pre-populated with travel advances. All travel related forms are attached to the event (that one trip) in a project software tool, which is used for electronic workflow and routing of approvals. Once all open items are closed, the electronic record is archived. Should the electronic receipt not be legible (e.g., the original receipt had ink too faint to be seen, or too wrinkled to be legible and visible), Finance will ask the traveler to present the original receipt, before reimbursement can be completed. If the expenditure doesn't seem reasonable or doesn't look right in context, the original receipt may also be requested. Finally, after the pilot period, Finance will ask all travelers to send their original receipts for a transition period of two years for internal and external audit. During that time, HACA will also ask third partners to amend contracts and other agreements to accept electronic, rather than paper receipts, as the new normal. It's possible that auditors may want to spot audit the original receipt for comparison to electronic records.

As a footnote, additional Travel Policy updates are planned for later in fiscal year 2021; this electronic receipt amendment is the only update requested and proposed at this time. For example, in the next update to the Travel Policy, we would update the airport parking rates and roles and responsibilities to allow for the new work flow and process.

Staff Recommendation:

Approval is recommended.

ATTACHMENTS:

- ▣ **Travel Policy - 2011 - Amended July 2020**
- ▣ **Budget and Audit Committee - Policy Updates Today**

HOUSING AUTHORITY OF THE CITY OF AUSTIN TRAVEL POLICY AND PROCEDURES

(Revised 10/20/11 - Resolution 2252)

I. INTRODUCTION

A. Purposes. The purposes of this travel policy are as follows:

1. To establish clear, uniform policies and procedures for the reimbursement of travel costs incurred while on HACA business, which is defined as, but not limited to, conducting or holding oneself out as conducting any business related activity which benefits HACA, including all meetings, workshops, seminars, conferences attended by Agency Staff or Commissioners.
2. To clearly identify travel expenses eligible for payment by HACA.
3. To account for and report properly for all travel-related expenses.

B. Official Policy. Official travel is travel that is reasonable and necessary for the conducting of official HACA business.

*Travel advances will not be made available to travelers that have outstanding travel reimbursements.

II. RESPONSIBILITIES

A. Traveler Responsibilities.

1. Ensure that a Travel Expense Claim is filed in accordance with this policy.
2. Be conservative in expenditures while traveling on HACA business, as if such costs were being paid by the traveler personally. Exercise prudence in the selection of lodging, meals, and training.
3. Request for travel should be submitted no fewer than 10 working days prior to the trip.
4. Complete and submit forms to detail actual travel expense within one week (seven calendar days) of the travel completion date.

July 2020 AMENDMENT:

5. Submit the original paper receipt, or an electronic receipt with the expense reimbursement to substantiate the expense as reasonable and appropriate. If an electronic receipt is submitted, after the pilot period, there will be a transition period of two years, where a) the traveler must also send the original paper receipt to Finance, in the event the expenditure is audited by a third party, and b) HACA will ask third party partners and grantors to update agreements to accept electronic receipts as the new normal.

B. Finance Department Responsibilities. Departmental responsibilities include the following areas:

1. Monitor approved travel budget.
2. Establish adequate internal controls to provide reasonable assurance that instances of noncompliance with this travel policy are detected and resolved.
3. Report travel expenditures under the proper accounting codes and according to procedure.

4. Review Travel Expense Claims to insure compliance with this travel policy.
5. Authorize reimbursement for properly completed Travel Expense Claims.
6. Submit travel advances and travel claims to the President/CEO's office in a timely manner.
7. Authorize or dispute air travel charges in accordance with section IV-E-2.
8. Assure that duplicate travel claims are not submitted; assure that expenses claimed for reimbursement have not been paid directly by HACA.
9. Ensure that the agency's policy is in total compliance with all HUD, State, and Federal regulations.
10. Make payment for authorized travel advances and for reimbursement of authorized travel claims.
11. Provide periodic reports to the President/CEO of any travel-related problems identified.

III. AUTHORITY TO TRAVEL

Authorization. All travel for the Authority shall be authorized and approved by the Department Director/Vice President, or their designate, if the travel expenditure is budgeted. If the travel expenditure is not budgeted it must be approved by the President/CEO, or their designate.

IV. EXPENSES ELIGIBLE FOR REIMBURSEMENT

A. Receipts are Required for the Expenses on this Page

<u>Description</u>	<u>Amount Reimbursed</u> ¹
Lodging ²	
Cities listed in General Services Administration Index	GSA Lodging rates
Locations not listed in General Services Administration Index	Use GSA Standard rates
Transportation:	
Airline ³	Coach
Car rental, gas	Actual
HACA Vehicle, gas, repairs	Actual
Taxi/Shuttle	Actual
Parking	Actual up to \$10 per day
Toll ⁴	Actual
Training Seminars/Conferences:	
Registration	Actual
Books, supplies	Actual
Other:	
Business calls/Internet/Faxes	Actual
Personal calls (1 arrival, 1 departure)	\$3 each

NOTES (1) - (4) on next page:

Notes:

- (1) Reimbursement is for actual costs, limited by the amounts or guidelines noted.
- (2) Request lowest rate (governmental, corporate or other) for hotels.
- (3) Attempt to book ahead to obtain lower fares if appropriate.

(4) Tolls (Limited to \$5 a day without receipts. If fees exceed the \$5, receipts are required.)

B.Receipts are NOT Required for these Expenses

**Exception: Commissioners are not eligible for per diem. A Commissioner is entitled to receive a reimbursement for necessary expenses only. Detailed, itemized, receipts must be submitted in order for Commissioners to be reimbursed. The cap on Reasonable Expense placed on a Commissioner's expenses will be based on the General Services Administration Meals and Incidental Expenses (M&IE). Index rates. (Vernon's Texas Codes Annotated, Local Government Code Section 392.035. Compensation)*

<u>Description</u>	<u>Amount Reimbursed</u>
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Meals (including tip):¹

Cities listed in General Services Administration Index	GSA (M&IE) rates
Locations not listed in General Services Administration Index	Use standard GSA rates

Transportation:

Personal vehicle: no car allowance	Federal mileage rate
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Other:

Gratuities (other than meals)/Incidentals	Included in Per Diem
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Day Travel Only

For travel that is not overnight and less than 12 hours, the traveler must provide receipts for all meals and incidentals. The traveler will be reimbursed in accordance with the GSA (M&IE) rates.

Notes:

(1) Meals included in the registration fee for Seminar will not be advanced or reimbursed unless on official business other than a conference. It is the responsibility of the traveler, if he/she has special dietary needs, to make prior arrangements with the Events Coordinator of the Conference/Seminar or to request from the server at the conference/seminar for a special dietary meal. If this is not possible, the traveler may be compensated for this meal and the traveler must provide a written explanation to be included with traveler's reimbursement form. If the actual cost of the meal exceeds the GSA (M& IE) rates, the traveler will be responsible for the difference.

B. Personal travel expenses which are not reimbursable include, but are not limited to, the following:

1. Loss of funds or personal property.
2. Entertainment expenses, including the cost of alcoholic beverages, or the cost of movie rental expense.
3. Transportation - taxi fare, parking, toll fees or mileage - to and from entertainment.
4. Mileage between home and airport.
5. Flight or trip insurance.
6. Laundry/dry-cleaning costs incurred in the first week of travel (these are reimbursable after (8) working days on continuous travel status).
7. Excess baggage charge for personal belongings that exceeds two bags.
8. Gasoline or repair costs for privately owned vehicles.
9. Cost of meals in excess of the allowed amount and meals included in the registration fee.
10. Cost of lodging in excess of the allowed amount unless it is the hotel where the conference

is being held.

11. Excessive mileage reimbursement (mileage incurred for personal reasons).
12. Unauthorized expenses for car rental.
13. Unauthorized registration fees.

Expenses will be reimbursed based on the following guidelines:

C. Lodging.

1. **Reimbursable Amounts.** Lodging receipts are required. Reimbursement is based on the actual costs. For cities that are included in the current General Services Administration (GSA) Per Diem rates, reimbursement will be limited to the GSA Per Diem Lodging Rates, with one exception as noted below. For cities not included in the GSA Per Diem Lodging Rates, reimbursement will be limited to the average cost of closest city.

Exception: if a traveler attending a conference or seminar and the conference hotel rate exceeds the GSA Per Diem Lodging Rate, the rate of the conference hotel will be reimbursed.

2. **Room Rate.** Reservations should be made at the lowest rate possible. In most cases, this will be the governmental rate. In the State of Texas, a Texas Hotel Occupancy Tax Exemption Certificate must be provided upon check-in. Be prepared to provide the hotel with some form of identification, such as a HACA identification card, to indicate official travel status for the Authority.

3 **Other.** If a guest accompanies a claimant, obtain the single occupancy rate and note it on the lodging bill. In no case will HACA pay more than the (lowest) single occupancy rate when only one HACA traveler occupies the room. Lodging provided by family/friends is non-reimbursable. Meals, groceries, or gifts for people providing lodging to a HACA traveler is non-reimbursable. All travel by spouses or other guests must be paid for by the traveler prior to the trip. Under no circumstances will the travel be charged to HACA's account or credit card.

4. If HACA traveler desires to extend their stay over the weekend following a seminar, and it is financially advantageous to HACA for the employee to do so, HACA will pay for the traveler's allowable expenses. Traveler should not accept airline incentives to prolong or extend stays if it increases HACA's expenses such as lodging and meal allowances.

5. Cancellation Policy. If traveler cannot attend a seminar or workshop after hotel and other guaranteed reservations have been made, the traveler must immediately cancel any prepaid or guaranteed hotel rooms and must provide documentation to include the cancellation number to the Finance Department. Failure to do so will result in the traveler being held personally responsible for any financial expenses incurred by HACA.

D. Meals.

1. **Introduction.** Travelers will be reimbursed for meal costs: based on the General Services Administration (GSA) Per Diem rates, (Receipts are not required for employees, however **Commissioners must provide receipts**).

2. **Reimbursable Meal Costs.** Travelers will be reimbursed for meals based on the General Services Administration (GSA) Per Diem rates. Reimbursement for meals, including tips, is limited to the GSA Meals and Incidental Expenses (M&IE) Index rates. Costs exceeding the GSA Meals and Incidental Expenses (M&IE) Index rates are considered personal expenses. Meals included in the

registration fee will not be advanced or reimbursed. It is the responsibility of the traveler, if he/she has special dietary needs, to make prior arrangements with the Events Coordinator of the Conference/Seminar or to request from the server at the conference/seminar for a special dietary meal. If this is not possible, the traveler may be compensated for this meal and the traveler must provide a written explanation to be included with traveler's reimbursement form. If the actual cost of the meal exceeds the GSA (M& IE) rates, the traveler will be responsible for the difference.

3. Meals Eligible for Reimbursement. The time of departure from or arrival in Austin determines the meals eligible for reimbursement, according to the following schedule

<u>Leave from Austin or arrive at Departing Airport *</u>		<u>Allowed</u>
Before 7 a.m.		Breakfast
Before 11 a.m.	Lunch	
Before 6 p.m.		Dinner
<u>Arrive at Departing Airport * or arrive in Austin</u>		<u>Allowed</u>
After 9 a.m.		Breakfast
After 1 p.m.		Lunch
After 6 p.m.		Dinner

*When flying, travelers can be advanced for meals at a maximum of two hours before flight departure time.

E. Transportation.

Reimbursement of transportation costs will be based on the most economical cost and practical mode of transportation for HACA. The determination of the most economical method is not made on the basis of personal preference or inconvenience to the traveler.

1. Air Transportation. Use coach-class accommodations.

a. When arranging air travel, travel arrangements should be booked as early as possible and all discounts should be pursued.

b. **Procedures for Booking Air Travel.** Airfares may be purchased by a designated person selected by the department Vice President/ President & CEO, either directly from an airline or under special circumstances through a travel agency.

If purchasing airfare through a travel agency, the following procedures shall be used:

1. Authorized departmental personnel shall call the travel agencies to arrange the flight(s). The department Vice President will provide the travel agency with the appropriate credit card number.
2. Accounts Payable or their designate will then receive a monthly invoice for all HACA air travel, a copy of which will be distributed immediately to the department Vice President for review.
3. Persons authorized to make travel arrangements, will approve and sign the invoice and return once all travel is verified. The person signing the invoice for travel must be on the authorized signature list. If there are charges on the invoice that are not valid, these must be brought to the attention of the Accounts Payable in writing within two weeks.

2. Vehicle

Use of a HACA vehicle is the preferred form of transportation. Usage of a rental vehicle may be authorized when flying out of town and the traveler's trip requires extensive driving. If there is no availability of a HACA vehicle for a traveler's usage, the traveler

must receive authorization to be reimbursed for usage of a privately-owned vehicle.

- a. **HACA Vehicle.** A HACA-furnished automobile should be used whenever it is reasonably available and a car is required for official travel.
- b. **Rental Vehicle.** Rental of a vehicle is authorized when it is more practicable and/or less expensive than the use of taxi cabs or other public transportation for official business. Receipts are required.
- c. **Personal vehicle.** Prior authorization must be given for a traveler and the traveler may be reimbursed for the use of a privately-owned vehicle while on official travel only. Reimbursement for transportation shall be made at the rate allowed by the IRS for cost estimating purposes.

1. **Other Limits.** Travelers should limit claims for mileage reimbursement in situations in which claimants can reasonably travel together. When two to three travelers are aware that they have the same itinerary on the same dates and are traveling on the same HACA business for which mileage in a privately-owned vehicle is claimed, payment should be claimed and allowed for only one of the travelers.
2. **Other Costs.** No other expenses or costs of operating a privately-owned vehicle are allowed, other than for cost of airport parking or other parking fees or toll charges.
3. **Airport Parking.** Travelers who park at the airport should have their parking receipts turned in with other expenses.

3. Airport Parking. A traveler may park either onsite at the airport or an offsite parking lot. A traveler will only be reimbursed up to a maximum amount of ~~\$10/day~~ **\$11/day** for parking. A parking receipt must be submitted with the travel reimbursement form to show the time of arrival and departure from the airport parking lot and the actual expense. If a traveler chooses to valet park at an airport parking lot, the traveler will only be reimbursed at the maximum amount of ~~\$10/day~~ **\$11/day**.

F. Other Expenses Eligible for Reimbursement.

Other expenses for which all travelers may be reimbursed are listed below.

1. **Receipts required.** Expenses included as part of a registration fee (e.g. meals, lodging, etc.) are not additionally reimbursable as separate items.
 - a. **Training Seminars and Conferences.** The receipt shall include the agenda or program identifying all activities that are included in the registration fee.
 - b. **Books and Supplies.** These expenses are reimbursable only if necessary and related to HACA business. The items are HACA property.
 - c. **Taxi/Shuttle Service in Other Cities.** Related to approved travel for business purposes. Transportation to/from eating establishments is reimbursable. However, transportation to/from entertainment is not reimbursable.
 - d. **Repair of HACA Vehicles.** Repair costs for HACA vehicles (parts, labor and towing charges) should be approved by the Purchasing Department in advance, where circumstances allow.
 - e. **Telephone/Internet/Facsimile Business calls** charged to lodging bills or credit cards will be recognized as a reasonable expense. **Personal Calls.** (One arrival and one departure call) may be reimbursed for the actual costs, up to a maximum of \$3 for each call, for a total of \$6.

- f. Parking .Actual costs for parking are reimbursable with receipts (maximum amount reimbursable is ~~\$10.00~~ **\$11.00** per day)
- g. Freight charges to ship HACA equipment or materials.
- h. Laundry/dry-cleaning costs incurred after (8) working days on continuous travel status.

2. Receipts not required. Receipts should be provided if available. Reimbursement is limited to actual costs.

- a. Parking Meter Fees and Toll Charges. Actual cost of parking meter fees and toll charges associated with approved travel are reimbursable up to \$5 per day. Parking fees in excess of this amount may be reimbursed only if receipts are provided.
- b. Gratuities. Gratuities for meals are included in the GSA per diem meal rates.

V. TRAVEL REIMBURSEMENT

A. Within one week (seven calendar days) after the completion of the trip, the traveler will submit to the Finance Department a properly completed Travel Expense Form. No other advances will be given until the outstanding travel reimbursements are settled with the Finance Department.

The traveler must do the following when requesting reimbursement:

- 1. Itemize all reimbursable expenses incurred. Do not include any expenses for which reimbursement is not sought. Do not include any expenses that have been paid directly by the HACA; do not include any personal expenses.
- 2. Attach required original invoices or other receipts. Any amounts included in the invoices or receipts that are personal expenses should be so noted on the invoices or receipts; the traveler should initial any amounts so noted.
- 3. Fill out all applicable sections of the travel reimbursement form appropriately and timely.

B. Amount Due HACA. Within seven calendar days of returning from the trip, submit a travel reimbursement form and payment by cash or check for any amount owed to HACA.

C. Amount Due Claimant .Travelers seeking reimbursement should follow the same procedures outlined above in section V-A. The travel expense claim, along with receipts and all other supporting documentation, should be sent to the Finance Department.

D. Review Claim. After receiving the properly completed Travel Expense Form to include all the supporting documentation, the Finance Department will process and make payment of any balance due to the traveler within seven calendar days. The Finance Department will review the claim for reasonableness of the expenses claimed. Compliance reviews of claims will be done on a sample basis, with results communicated periodically to the President/CEO.



Housing Authority of the City of Austin

Bringing Opportunity Home

Proposed Financial Policies

Budget and Audit Committee

Martha Ross

July 16, 2020





Financial Policy Format

New and Standardized

Each new or revised HACA Financial Policy will address the following topics for consistency and ease of review:

Scope
Context
Background
Financial Presentation
Methodology/Process
Documentation
Approvals
Definitions
Authoritative Guidance / Reference
Flow Chart



Balance Sheet Policies

Samples Shown Below

The Statement of Net Position (generically called the “Balance Sheet” by our stakeholders) is shown in HACA’s annual audit for all entities combined. The Balance Sheet tracks financial operations since the day HACA was formed; it is an ongoing representation and tally.

Types of Asset Policies:

Cash

Petty Cash

Reserves

Investments

Investment

Accounts Receivable

Allowance for Doubtful Accounts (Bad Debt)

Fixed Assets

Capitalization Policy



Types of Liability Policies:

Current and Long-Term Debt

Debt Service Coverage



Income Statement Policies

Samples Shown Below

The Statement of Revenues, Expenses and Changes in Net Position (universally called the “Income Statement” by our stakeholders) tracks activity for the 12-month fiscal year; all line items reset to zero and the beginning of the new fiscal year.

Revenue

Revenue Recognition

Expense

Travel and Reimbursement

Indirect Cost Allocation





Other Policies

Samples Shown Below

Other Policies Address the Overall Framework or a Type of Activity.

Internal Controls

Budget and Reporting

Grant Management

Document Retention

As we update or create policies to meet HACA's current business needs, they will be taken to the Audit and Budget Committee for review and then to the Board for approval.



This Meeting

Ratifying Updates to Existing Policies

Travel Policy

During today's Board Meeting, we will ask for approval to ratify the following that have been in use with the existing 2011 policy during FY 2020 and beyond:

- A. Electronic vs Paper Expense Receipts in a new Pilot paperless process
- B. Airport parking rate of \$11/day, instead of \$10/day shown in policy.

Capital Policy

During today's Board Meeting, we will ask for approval to ratify the following that have been in use with the existing 2001 policy during FY2020:

- A. Scope (HACA and subsidiaries/blended component units), unless superceded by a third party contract.
- B. Asset Classes and Asset Lives used for Depreciation
- C. Physical Inventory Requirements



This Meeting

Preview Proposed Updates in Sept/Oct Board Meeting

Travel Policy

With implementation of a newly developed Travel software and workflow, we will be seeking updates to the Travel Policy later this year. That will also be a good opportunity to update other items in the Travel Policy.

- 1) Requiring all receipts to be scanned, with originals archived for two years only.
(Currently, paperless is optional.)
- 2) Update airport parking to daily published ABIA economy rate every January 01.
(Currently specific \$11/day is in use).
- 3) Requiring all travelers to provide direct deposit (routing and bank number) for travel advances. (Currently, this is optional.)
- 4) Requiring itemized receipts for food, beverage and entertainment except staff travel meal per diem. Itemized receipt includes not just accepting a credit card receipt, but requiring the restaurant itemized receipt showing number of entrees, etc. and if alcohol served. (We had previously accepted a credit card receipt on occasion.)



This Meeting

Preview Proposed Updates in Sept/Oct Board Meeting

Travel Policy continued ...

- 5) Establishing time frames for the balance due to / from travel to be settled; timelines for Finance to settle due to and timelines for Travelers to settle due to. For a few designated frequent travelers, this means any balances due to HACA will be deducted from the next travel advance.
- 6) Updated definition of Roles and Responsibilities (Traveler, Supervisor, Department VP, Travel Coordinator, COO, SHCC travel, etc.).
- 7) Introduction of Trello Workflow (a visual workflow aide will be provided, software demonstration will also be given).
- 8) Introduction to new, HACA-developed, electronic Forms. (Previously paper based, no automatic calculations or populated cells.)
- 9) Introduction of new, HACA developed, electronic local mileage calculation form. (Previously mainly hand-written, no pre-populated round trips.)
- 10) Moving some procedural details out of Policy and into Process and Practice guides, so Policy statements have longer life.

AUDIT AND BUDGET COMMITTEE

REPORT

FINANCE

ITEM NO. 4.

MEETING DATE: July 16, 2020

STAFF CONTACT: Martha Ross, Vice President & Chief Financial Officer

ITEM TITLE: Report on open items from last meeting

BUDGETED ITEM: N/A

TOTAL COST: N/A

ACTION

This agenda item is intended as a re-occurring placeholder to discuss open items from the last meeting.