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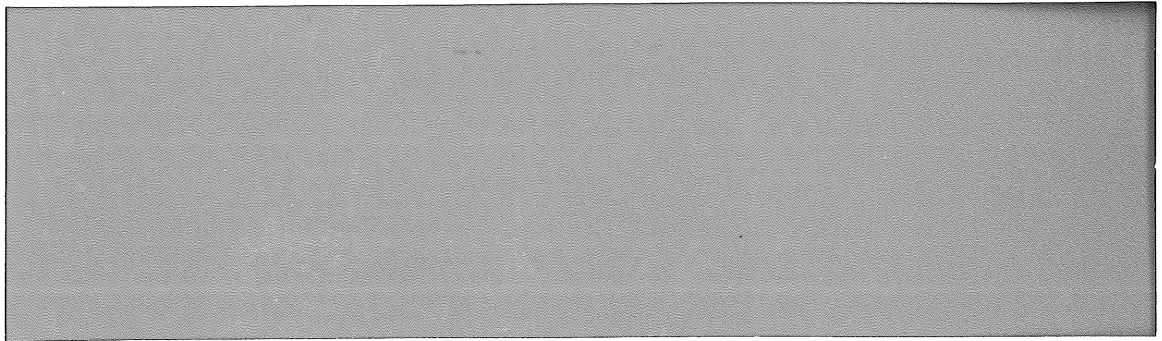
**WORLD TRADE CENTER BOARD
FINANCIAL AND COMPLIANCE AUDIT
FOR THE PERIOD JULY 1, 1984
THROUGH FEBRUARY 27, 1987**

870668

NOT FILMED

Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

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Financial Audit Division

The Office of the Legislative Auditor is responsible for financial and compliance audits of funds administered by the executive and judicial branches of state government. The audits are conducted by the office's Financial Audit Division. The division has a staff of approximately forty-five governmental accounting and auditing professionals, the majority of whom are Certified Public Accountants.

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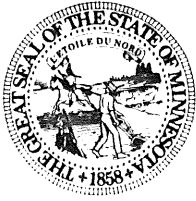
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**WORLD TRADE CENTER BOARD
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JULY 1987

**Financial Audit Division
Office of the Legislative Auditor
State of Minnesota**



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Phillip J. Riveness, Chairman
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Willis Eken, Chairman
World Trade Center Board

Mr. Richard Nolan, Acting-President
World Trade Center

Audit Scope

We have completed a financial and compliance audit of the World Trade Center Board for the period July 1, 1984 through February 27, 1987. Section I includes a brief description of the World Trade Center Board activities and finances. Our audit was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and accordingly, included such audit procedures as we considered necessary in the circumstances. Field work was completed on March 20, 1987.

The objectives of the audit were to:

- study and evaluate internal control systems of the board, including receipts, payroll, fixed assets, and administrative disbursements as of January 30, 1987;
- verify that financial transactions were made in accordance with applicable laws, regulations and policies including Minn. Stat. Chapter 44A and other finance-related laws and regulations; and
- evaluate the recording and reporting of financial transactions on the statewide accounting system.

Management Responsibilities

The management of the World Trade Center Board is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly.

Representative Phillip J. Riveness, Chairman
Members of the Legislative Audit Commission
Mr. Willis Eken, Chairman
Mr. Richard Nolan, Acting-President
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Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

The management of the World Trade Center Board is also responsible for the agency's compliance with laws and regulations. In connection with our audit, we selected and tested transactions and records from the programs administered by the World Trade Center Board. The purpose of our testing of transactions was to obtain reasonable assurance that the World Trade Center Board had, in all material respects, administered their programs in compliance with applicable laws and regulations.

Conclusions


Our study and evaluation disclosed the issues raised in Section II, recommendations 1-3, 7-13, and 15, concerning the World Trade Center Board's system of internal accounting control, in effect on January 30, 1987, which, in our opinion, result in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial activities of the board may occur and not be detected within a timely period.

In our opinion, except for the issues raised in Section II, recommendations 4-6 and 16, for the period July 1, 1984 through February 27, 1987, the World Trade Center Board administered its programs in compliance, in all material respects, with Minn. Stat. Chapter 44A and other applicable finance-related laws and regulations.

In our opinion, except for the issue raised in Section II, recommendation 14, for the period July 1, 1984 through February 27, 1987, the World Trade Center Board properly recorded, in all material respects, its financial transactions on the Statewide Accounting System.

The recommendations included in this report are presented to assist the World Trade Center Board in improving accounting procedures and controls. We will be monitoring and reviewing the World Trade Center Board's progress on implementing these recommendations during the upcoming months.

We would like to thank the World Trade Center Board staff for their cooperation during this audit.


James R. Nobles
Legislative Auditor
June 22, 1987


John Asmussen, CPA
Deputy Legislative Auditor

WORLD TRADE CENTER BOARD

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AUDIT PARTICIPATION

The following members of the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA	Deputy Legislative Auditor
Margaret Jenniges, CPA	Audit Manager
Lori Pellicci	Auditor-in-Charge
Sandra Linn	Staff Auditor

EXIT CONFERENCE

The findings and recommendations in this report were discussed with the following staff of the World Trade Center Board on April 22, 1987:

Willis Eken, Chairman
Richard Nolan, Acting-President
Pam Falk, Administrative Assistant

WORLD TRADE CENTER BOARD

I. INTRODUCTION

The World Trade Center Board was created by the 1984 State Legislature. The board consists of nine voting members and four legislators serving as nonvoting members. The board appoints a President who serves as chief administrative officer. There have been three presidents since the inception of the board. The first president was Richard Broeker who served from July 1984 to February 1986. Robert Johnson served from May 1986 to November 1986. Richard R. Nolan was appointed Acting-President in November 1986.

The board had a staff of nine until January 1987, when it was reduced to six for cost saving purposes. Anticipating a limited amount of state funding, the board attempted to save enough of their current appropriation to finance activities until additional revenue can be raised. The staff was further reduced to four in April. The board received appropriations for fiscal years 1985, 1986, and 1987 of \$575,000, \$807,500, and \$995,100, respectively. About 40 percent of fiscal year 1985 and 47 percent of fiscal year 1986 appropriations were for payroll expenses. The remainder was for promotional and administrative expenses.

The primary purpose of the World Trade Center Board is to facilitate and support Minnesota world trade center programs and services and promote the growth of international trade in Minnesota. These services can include education and training, trade information, telecommunications and outreach to other international organizations. As a coordinator of existing international services, the World Trade Center Board and its staff work with international associations, academic and cultural institutions, and private entities.

The 1987 Legislative Session created the World Trade Center Corporation to replace the World Trade Center Board. The corporation is a public corporation and a state agency. The corporation is to be governed by a 15 member board consisting of six members representing the international business community, three members appointed by the Governor, and six legislators. The current nine members of the board will become nine of the corporation's board of directors. All money received by the corporation must be deposited to a separate account in the State Treasury. This money will be used exclusively for corporation purposes. An appropriation of \$135,000 for fiscal year 1988 and \$180,000 for fiscal year 1989 was given the Commissioner of Administration to pay the operating expenses of the Minnesota World Trade Center conference and service center.

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II. CURRENT FINDINGS AND RECOMMENDATIONS

The World Trade Center Board needs to improve documentation and controls over promotional expense payments.

As a state agency, the WTCB is required to follow various centralized procedures and controls for the expenditure of state funds. However, the WTCB has expanded authority and certain flexibility not available to most other state agencies. Minn. Stat. Section 44A.031 provides that "the world trade center board may expend money in the world trade center fund, and any other money appropriated by the legislature, for the purpose of promotion of world trade in Minnesota." Furthermore, "promotional expenditures may be made in the same manner as expenditures made by private persons, firms, corporations, or associations for similar purposes and are not subject to regulation by the commissioner of employee relations."

The World Trade Center Board is exempt from following some state procedures and regulations. Promotional expenditures are not subject to regulation by the Commissioner of Employee Relations. They may accept gifts without following the acceptance, administrative, and payment procedures for gifts specified in Minnesota statutes. The board may establish and charge fees for services and programs without regard to Department of Finance policies. Finally, when making expenditures or entering into contracts where the board is participating jointly with private persons and public entities, they are not subject to Department of Administration contract procedures.

The board is required to follow state policies and procedures for all other areas. This includes the Department of Finance payroll procedures, utilizing the statewide accounting system, Department of Administration purchasing procedures (except where exempt), and Department of Employee Relations personnel and special expense procedures.

In the absence of state guidelines for promotional expenditures, the WTCB has an internal policy on client/promotional expenses. The policy states that promotional expenses are costs necessary to entertain clients, and/or client travel expenses away from the center. The policy further explains the types of entertainment expenses which are allowable. The WTCB also has a special expense plan approved by the Department of Employee Relations. This plan also states that costs necessary to entertain WTC clients and their spouses may be paid using special expense authority. It was often difficult to identify the authority under which expenses were incurred because of this duplication. Establishing a separate account for promotional expense payments would improve accountability for those expenses. Also, documentation for promotional expenses needs to be improved. The WTCB policy states that the purpose, those present, and the topic discussed must be included when a bill for client entertainment is presented for payment. In spite of this internal policy, our testing revealed that the WTCB paid approximately \$2,400 for meals and refreshments during the period audited for which those present and the purpose was not stated.

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In addition, the WTCB staff have not had a policy for making promotional expenditure payments, particularly for meals. Food expenses were paid in a variety of ways; direct billings from restaurants, claimed on employee expense reports, paid through imprest cash, and paid out of petty cash. Maintaining such a multitude of financing techniques creates administrative difficulties. The risk of duplicate payments is increased and the quality of documentation is diminished. The client/promotional procedures should be revised to address the types of financing options available. We suggest that employee expense reports be used whenever possible because they typically generate the best documentation. The most difficult method to control is direct billings from restaurants. We noted two instances of a staff member charging personal meals to the WTCB account and then paying the restaurant after the bill was received by the WTCB. Although the employees reimbursed the WTCB for the meals, this demonstrates that potential problems may arise.

RECOMMENDATIONS:

1. The WTCB should revise their client/promotional procedures, as necessary, ensure that the procedures are followed, and adequately document all promotional expenditures.
2. The WTCB should consider establishing a separate account to use when making promotional expense payments.
3. Whenever possible, meal expenses should be handled on a reimbursement basis. Employees should avoid charging personal expenses to the WTCB.

Special Expense Payments

The WTCB incurred many expenses which are ineligible for reimbursement according to state rules unless prior special expense authorization is obtained. Special expense guidelines have been promulgated by the Department of Employee Relations (Administrative Procedure 4.4). Procedure 4.4 provides that "special expenses are expenses incurred in connection with assigned official duties of a state employee which are not reimbursable through regular expense regulations." Special expenses are to be approved by the Department of Employee Relations (DOER) before the costs or commitments are incurred. The WTCB does have a special expense plan that was approved by DOER. In addition, any special expense that is not addressed in the approved plan may be individually approved in advance by DOER. In many instances an expense was not within the board's plan approved by DOER. In these cases the special expense forms were completed but not submitted for approval. Examples are business meetings that include meals of about \$270, expenditures incurred during meetings held with the board and staff while interviewing for a new president of \$850, expenditures incurred during regular board meetings for items such as meals, travel, and lodging of approximately \$1,600, and expenditures incurred during staff work sessions out of the office in excess of \$400.

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The WTCB also spent approximately \$1,700 for meals and snacks for events in which only staff or board members were documented as present, and \$1,200 for framing photographs of the World Trade Center Building for board members and staff offices. Special expense forms were not completed or submitted in these instances.

Also, many of the expenditures made from imprest cash do not appear to be expenses allowable under state guidelines or as promotional expenses. During the time period audited the board staff spent about \$190 on meals for what appear to be business meetings; \$340 on meals for board members and staff while interviewing for a new president and \$143 on meals and refreshments for other meetings of board members and staff. They also paid \$100 for moving personal furniture into the World Trade Center Board offices. Some of these expenditures may be allowable with more complete documentation as to the purpose of the meeting. Others would have required special expense approval.

RECOMMENDATIONS:

4. The WTCB should have all special expenses not included in their special expense plan approved in advance by DOER.
5. The WTCB should use special expense forms in all cases where the purpose of the expenditure is not clearly promotional or the expense is not allowed under state regulations.

Imprest Cash Payments

In addition to using the statewide accounting (SWA) system for making expenditures, the WTCB maintains an imprest cash account of \$1,500 authorized by the Department of Finance. Imprest cash funds are approved for the purpose of making minor disbursements, providing for change, and providing employees with a portion or all of their payroll warrant where the warrant has not been received through the payroll system.

The WTCB has established written policies and procedures to control imprest cash disbursements. According to these procedures, expenses paid out of the imprest cash fund may include: emergency office supplies; meals, social foods, and beverages in the entertainment of a client; small gifts customarily given to visitors/clients; and incidental expenditures necessary for effective office administration and/or client promotion.

The WTCB has not been complying with its established procedures. According to the WTCB procedures, an expense form must be submitted for approval to spend imprest cash funds. This expense form must include the purpose of the expenditure, the name of the employee making the expenditure, the names and titles of the other parties involved, and the nature of the discussion, if applicable. However, the purpose of the expenditure and the other parties involved was not always being documented.

Several of the payments from imprest cash exceeded the policy limit of \$100 per expenditure. Others could have been paid through the SWA from

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the invoice or an expense reimbursement form. Examples of such payments include meal expenditures from \$100 to \$375 for board members, guests, and staff; staff training workshop and conferences fees between \$150 and \$350; and subscription renewals between \$160 and \$495. These types of expenditures should be paid through SWA. If necessary, with a special expense request form approved by DOER.

RECOMMENDATION:

6. The WTCB should follow the procedures for imprest cash expenditures that have been approved by the Department of Finance.

The World Trade Center Board needs a policy for setting and collecting fees for services provided.

The WTCB is to provide educational conferences and seminars and other programs and services that serve the purposes of the world trade center. The board may establish and charge fees for any programs and services they provide. One example of a service they have provided is the chairman's club luncheons. The WTCB obtains a speaker who is knowledgeable in world trade to speak to presidents and Chief Executive Officers of Twin Cities companies. The WTCB paid over \$1,060 for the luncheons. This is a service that will be provided to World Trade Center club members as a part of their membership. It was also a means of promoting the center's concept. Therefore, the WTCB did not request reimbursement from those who attended. The WTCB also provided training to nonstate employees who worked closely with the WTCB staff at a cost of \$3,400. The WTCB felt the training helped the staff and others invited to better understand the board's mission. Five others attended the conference and each reimbursed the board \$425. There was no documentation explaining why payment was requested from some.

The board has provided other services and conferences where the participants were charged a fee to cover the costs of the event. However, the WTCB does not have a policy stating in which instances participants would be charged a fee and when the board would absorb the costs.

RECOMMENDATION:

7. The WTCB should develop and implement a policy explaining when fees will be charged for services and programs provided.

The WTCB needs to develop a travel policy.

The WTCB board and staff frequently travel in-state and out-of-state. The board has not developed a policy that includes the approval process for travel, method of payment (advance registrations, reimbursements, etc.), and cancellation policies. WTC funds can be misused when there is no clear understanding of the travel policies.

The board paid \$2,800 in advance registration fees for seven board members and staff to attend the World Trade Center Association's annual meeting in

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Vancouver, British Columbia in 1986. However, when only three people attended, \$1,300 of the fees were forfeited because of a no refund policy for cancellation after a specified date. Had the board members been aware of any travel policies, it is possible this additional expense may not have been incurred.

There may be circumstances when plans need to be changed at the last minute resulting in a loss of prepaid fees. It is not intended that an employee must absorb the additional expenses if the change in plans was due to a work situation. However, these situations should be documented.

RECOMMENDATION:

8. The WTCB should develop and implement a travel policy which includes advance registration and cancellation procedures.

The World Trade Center Board fixed asset records and controls procedures need strengthening.

The Division of Materials Management of the Department of Administration requires that all items with a cost of \$300 or more and a useful life expectancy exceeding two years should be properly identified and included on a fixed asset listing. In addition, lower cost semi-expendable assets which are subject to pilferage or misuse (sensitive property), should be identified by each agency and included on the fixed asset listing or a secondary inventory system. The WTCB is currently operating without any record of the fixed assets they have purchased since their inception. In addition, most fixed assets and items considered to be sensitive property do not have an inventory sticker or are not marked as WTCB properly.

A physical inventory or spot-checks have not been done of the WTCB's fixed assets. The Division of Materials Management has requirements for completing physical inventories and spot-checks. They require physical inventories be done of all fixed assets and sensitive items at least every two years and spot-checks be done at least annually. Completing physical inventories and spot-checks will ensure that the assets are secure, the inventory records are accurate and the procedures concerning fixed assets are being followed.

Another area of concern is the loaning of fixed assets and sensitive items to entities outside the state system. Loaning state property is allowed if it will benefit the State of Minnesota. When state property is loaned out, a Memorandum of Agreement must be drawn up to record the issue of the loaned property. This Memorandum must state the date of the loan, damage or repair fee, replacement statement, the items being loaned out, the date the loan period expires, and the name, address, and telephone number of the party that is responsible for the equipment until it is returned.

The WTCB has two computer programs on loan to a non-state entity involved in a joint venture with the WTC. A computer is assigned to an employee's home. Also, a typewriter was loaned to a former employee and subsequently returned. In order to maintain an accurate inventory system and control of the assets, memorandums should be kept of all assets assigned to other locations.

WORLD TRADE CENTER BOARD

Finally, the WTCB needs to implement a system to document the receipt of goods. The board has paid for a credenza that could not be located. Upon investigation, both the vendor and WTCB staff believe that it was never delivered. Had receiving procedures been in place, the credenza would not have been paid for.

RECOMMENDATIONS:

9. The World Trade Center Board should enter all fixed assets and sensitive items onto an inventory record which can be used for accounting and control purposes.
10. A complete physical inventory and spot-checks should be completed for fixed assets at the World Trade Center Board offices.
11. Each fixed asset and sensitive item must be clearly and permanently marked with an asset number or as property of the World Trade Center Board.
12. A Memorandum of Agreement should be properly prepared for any property loaned out to non-state entities on official state business.
13. The location of any fixed assets that are used out of the board offices should be properly documented.
14. The WTCB should develop procedures for the receipt of goods to ensure that items are actually received before payment is made.

Receipts at the World Trade Center Board are not being deposited on a timely basis.

The World Trade Center Board collects receipts from various sources such as donations, contract agreements, and fees charged for programs and services. During fiscal years 1985 and 1986, they collected \$55,117 and \$61,327, respectively.

A listing is not prepared of these receipts as they are collected nor are they being deposited as often as required. The WTCB often collects fees from those attending a trade program. However, we were not always able to determine whether those who attended a program reimbursed the board. When receipts are collected they should be date stamped and a listing should be prepared of all receipts collected each day. This listing should then be reconciled to the SWA receipts reports. This control establishes accountability for receipts and subsequent deposits.

From July 1, 1984 to February 27, 1987, a total of 109 deposits were made. Only 61 of the 109 were date stamped when received. Of the 61 deposits, 21 were not deposited on a timely basis. Minn. Stat. Section 16A.275 states, "Except as otherwise provided by law, an agency shall deposit

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receipts totaling \$250 or more with the treasurer daily." Failure to promptly deposit large cash collections causes an increased possibility of loss and creates additional work in recording and safeguarding.

RECOMMENDATIONS:

15. The World Trade Center should prepare a listing of receipts as they are received. This listing should be reconciled to the receipts by APID report.
16. The World Trade Center Board should deposit receipts daily as required by Minn. Stat. Section 16A.275.



MINNESOTA
WORLD
TRADE
CENTER

June 22, 1987

Mr. James R. Nobles
Legislative Auditor
Veterans Service Building
St. Paul, MN 55155

Dear Mr. Nobles:

Please be advised the draft audit report for the Minnesota World Trade Center Board has not been discussed publicly nor have copies been distributed outside our agency.

Below you will find our comments and responses to the findings listed in the financial and compliance audit of the World Trade Center Board for the period of July 1, 1984 through February 27, 1987.

RESPONSE TO SUMMARY AND RECOMMENDATION #1-3

Upon the creation of the Minnesota World Trade Center Board and its staff in July, 1984 a unique organization in the State of Minnesota, exempt from several state statutes, policies and procedures, it was necessary to receive assistance from the Department of Commerce to coordinate and process all payroll and accounting forms maintain records and to assure the Board proper procedures were being followed. From 1984 through January, 1986 the World Trade Center Board's Office Manager, formerly the administrative assistant of the Department of Employee Relations, was responsible for coordinating with the Department of Commerce an effective method for processing payroll and accounting materials. It was then, the Department of Commerce was responsible to inform the World Trade Center Board of procedures that may not have been in compliance with the Board's legislation or state regulations and/or procedures.

The Board staff had not received briefings from the

Department of Employee Relations, the Department of Administration or the Department of Finance regarding policies and procedures. The Minnesota World Trade Center Board's legislation, unique in the State of Minnesota, required direction and assistance from the Department of Commerce.

In regard to the two instances whereby a staff member was charging personal meals to the WTCB account and reimbursing the Board occurred in 1985. This particular individual was a loaned executive to the WTCB and not a state employee. After informing the individual of state policies and procedures, instances of this nature were eliminated in mid-1985.

In summary, the standard procedure for promotional expenditures whenever possible, have been handled on a reimbursement basis since January 1987. A special encumbrance account for promotional expenses was established in October, 1986 to control documentation. Direct billing from restaurants for promotional expenditures will occur only on those occasions whereby direct billing is a more convenient and effective method for controlling documentation and in the event of emergencies.

The WTCB's Client Travel/Promotion Expense procedure will be revised to reflect the 1987 legislation amendments and exemptions. Due to a current four-member staff and given the number of priorities for the Trade Center's opening in September, 1987 the WTCB has adopted the WTCB's current internal policies and procedures. The 1987 WTCB legislation (SF #1203) states effective July 1, 1987 the Minnesota World Trade Center Corporation is a public corporation and is a state agency exempt from chapters 14, 16A, 16B, 43A and 179A. Employees of the WTC Corporation will not be employees of the state. At the June WTC Board meeting, the Board adopted, effective July 1, 1987, current internal policies and procedures which will be amended and updated by December 15, 1987. Also adopted was the utilization of SWA and Central Payroll functions of the state.

SPECIAL EXPENSE PAYMENTS RECOMMENDATIONS #4-5

Effective February 19, 1986, (H.F. #2009 - see attached) promotional expenditures were no longer subject to regulation by the Commissioner of Employee Relations. Due to the WTCB's unique legislation the Special Expense Payment Administrative Procedure 4.4 has been an ongoing question with respect to whether or not the WTCB has been exempt from this procedure. Several documents are attached for your convenience (See attachment A) representing the attempts to clarify with the Department of Employee Relations if we were

or were not exempt from this procedure. The September 9, 1985 memo to Commissioner Nina Rothchild, Department of Employee Relations indicates a revised policy for special expenses was submitted for approval and review. This particular WTCB policy (also included in attachment A) clarifies Special Expense forms were to be documented and approved internally without approval from DOER. Verbal conversations of approval for this exemption occurred with the Commissioner of Employee Relations and the WTCB's office manager. January, 1986 the WTCB employed an accounting officer and related functions were transferred from the Department of Commerce to the WTCB. This individual operated under the same guidelines and in October 1, 1986 submitted to DOER a complete WTCB Policy and Procedure manual for approval. This manual included the original Special Expense payment procedure submitted to DOER in September, 1985. The final article of correspondence regarding Special Expense procedures from Richard Thorkee, Administrative Services Manager of DOER was a result of the initial WTCB audit and questions raised with regards to the Board's Special Expense procedures. Verbal conversations with the Administrative Services Manager resulted in the failure of DOER to approve the entire WTCB's Policy and Procedure manual in October, 1986. A memo dated May 26, 1987 reflects such conversations.

Prior to September 9, 1987 it is the Board's understanding that Special Expense forms were submitted to DOER for approval with assistance from the Department of Commerce. Special Expense forms have been approved internally and a copy submitted to the Department of Finance attached to the necessary expense payment forms.

Expenses incurred while interviewing for the WTCB's new president resulted from 13 special meetings of the WTC staff and WTCB President Search Committee occurring from January, 1986 through April, 1986. Due to the urgency and over 200 responses from applicants it was necessary to coordinate these special meetings surrounding the availability of Board Committee members, some of which were scheduled during the breakfast, lunch or dinner hour. Special expense forms were completed and submitted to Finance along with the original expense form. The Board operated with the understanding following the September, 1985 memo to the Commissioner of Employee Relations, that the Board's internal policy submitted in September, 1985 was in effect.

Expenditures incurred during regular board meetings for items such as meals, travel and lodging result from a governor's WTC Board appointment of a member who resides in Duluth, Minnesota. Depending on flight availability or meetings with this particular Board member prior to the

regular meeting of the Board, it is often necessary to provide overnight accommodations which then include meal reimbursement for in-state travel.

Expenditures incurred during staff work sessions out of the office were a result from the necessity of developing mission statements and work program plans for the WTCB and staff. The urgency of these plans and programs and the intense amount of research that was required deemed it necessary to pull this information together as a team away from the distractions of the day-to-day functions and operations of the project.

The expense for the moving of personal furniture into the World Trade Center Board offices was the result of employing a new president who was willing to use his own desk thus saving the Board money that otherwise would have been spent to provide similar furniture. In any event, this employee lived outside of the metropolitan area and was thus entitled to relocation expenses which would have covered this expense. This employee however, has chosen not to claim any relocation expenses and paid for them himself.

In summary, effective July 1, 1987 the World Trade Center public corporation, a state agency, is exempt from chapters 14, 16A, 16B, 43A and 179A thereby exempting the corporation from the Special Expense payment procedure. However, the Board will follow internal policies and procedures currently in place and a copy of the internally approved Special Expense form will be submitted for payment and attached to the original invoice or document.

IMPREST CASH PAYMENTS RECOMMENDATION #6

The WTCB will follow the procedures for the imprest cash expenditures that have been approved by the Department of Finance and the Department of Employee Relations. "Expenses paid by the imprest cash fund include: renewal of WTC subscriptions and organizational memberships; emergency office supply purchases; meals, social foods and beverages in the entertainment of a client; small gifts customarily given to visitors/clients; as well as other incidental expenditures necessary for effective office administration and/or client promotion." Payments from the imprest cash account exceeding the amount of \$100 have not occurred since April 28, 1986. Accordance with the policy "amounts not exceeding \$100 per expenditure" has been followed since April, 1986.

RESPONSE TO RECOMMENDATION #7 (Setting and collecting fees for services provided) To be done in conjunction with the MTO.

The WTCB will develop and implement a policy explaining when fees will be charged for services and programs that will be provided by the WTCB effective December 15, 1987.

The \$3400 the WTCB expended to cover training costs of non-state employees surrounded a major three day conference relating to effective teamwork and strategies. Due to the nature of the new World Trade Center concept individuals other than staff members have been involved closely with the project. Individuals from the St. Paul Downtown Council, State Attorney General's Office, Oxford Properties, Inc. (then developer of the WTC), Miller Meester (the WTCB's selected advertising/promotional firm), World Trade Center Advisory Committee, Saint Paul Area Chamber of Commerce, and Group Health (sight selected for the three day conference who offered the space at no charge) were covered by the WTC budget in order to strengthen the project and enhance their working relationship with the WTC Board and staff.

RESPONSE TO RECOMMENDATION #8 (Travel Policy)

The WTCB will develop and implement a travel policy which will include advance registration and cancellation procedures by November 15, 1987.

Effective August 14, 1984 (See Attachment B) expense procedures documented in this expense procedure memo have been followed. An August 15, 1986 travel reimbursement memo (Attachment B) was distributed to the Board/staff for further clarification and had been followed with the exception of international travel which is defined in the WTCB's Special Expense procedure (Attachment B).

RESPONSE TO RECOMMENDATIONS #9-14 (Fixed Assets)

A program has been underway effective March 1, 1987 to mark, identify and control the WTCB's fixed assets. An inventory control system is in effect which will be used for accounting and control purposes. This control system will include a procedure for receipt of goods. All fixed assets that are periodically loaned out of the office will be under Memorandum of Agreement. A policy and procedure for fixed assets will be developed and implemented by November 15, 1987.

RESPONSE TO RECOMMENDATIONS #15-16 (Receipts)

From July 1, 1984 through January 1, 1987 the Department of Commerce was responsible for controlling and depositing WTCB receipts. Beginning of the F.Y. '87 states Biennium internal control was retained and a system devised for WTC

deposits. Effective July 1, 1987 a system will be devised and implemented whereby an actual listing of receipts will be recorded as they are received and deposits made on a daily basis. Effective July 1, 1987 the World Trade Center public corporation a state agency, is exempt from chapters 14, 16A, 16B, 43A and 179A thereby exempting the corporation from MN Statute Section 16A.275 regarding the deposits receipts. However, to control documentation the internal system (as stated above) will be followed effective July 1, 1987.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard M. Nolan".

Richard M. Nolan
President
Minnesota World Trade Center Board

ATTACHMENT A
Special Expense Payments

RECEIVED

STATE OF MINNESOTA

DEPARTMENT of Finance

AUG 14 1984

*Office Memorandum*MN World Trade
Center BoardTO: Richard Broeker, Executive Director,
World Trade Center

DATE: August 9, 1984

FROM: Fay Seemann, Agency Controller

PHONE: 6-7964

SUBJECT: Financial Policies

A few weeks ago we discussed the need to develop in-house policies for your agency in areas where you are exempt from complying with existing statutes especially chapter 16. My understanding is that it is still pending.

I thought a sample might help so I drafted one on travel and promotion expenses which is enclosed. Please do not view it as being prescribed since you are in a better position to know the needed content.

Other policy topics to be considered are: (1) purchasing, i.e., requisitioning, ordering, receiving and payment including controls; (2) contracts, i.e., both income and expense types, revenue or expense controls and accounting applications; (3) personnel and payroll; and (4) budgets as we discussed. If these policies are shared with Commerce, Finance, or Employee Relations, it will facilitate processing your transactions.

Please let me know if there are questions or problems. Roy Muscatello, the statewide accounting director and I will meet with you if you so desire to discuss this. Perhaps another month is needed to develop the policies.

C/FS/JMS/024

cc: Roy Muscatello

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO: DICK BROEKER
JOHN KARI ✓
World Trade Center

FROM: SUE HALVERSON *SH*
Special Assistant
Attorney General

SUBJECT: World Trade Center Authorizing Legislation

DATE: 4/27/84

PHONE: 6-9310

You have requested that I review the authorizing legislation for the World Trade Center and identify and analyze the implications of statutory exemptions and applications.

One cautionary note is in order. This memo will identify the express statutory inclusions mentioned in the authorizing legislation, but I have not endeavored to anticipate and identify all generally applicable statutory principles or procedures which might, in some circumstances, apply to the World Trade Center. For example, general provisions of Chapter 15 relating to the open appointments process, Chapter 10A relating to ethics in government, and Chapter 477 relating to open meetings will apply to the Board. I have not endeavored to identify each of these types of laws of general application. Rather, this memo focuses on the expressly mentioned statutory inclusions and exemptions in your authorizing legislation.

1. WORLD TRADE CENTER BOARD

- A. Appointment. Section 71, Subd. 1(b), provides for "initial" appointment by the Governor with the advice and consent of the senate. (Since no other appointment method is provided in the statute, subsequent board members would also be appointed by the Governor.) The terms of all first board members expire the first Monday in January, 1987.
- B. Terms of Board Members. After the initial board, the terms and appointment of board members are governed by Minn. Stat. § 15.059, which provides, in pertinent part, as follows:
 1. Terms of membership are four years.
 2. Five members will have terms coterminus with the Governor; four members will have terms which end one year after the terms of the other members, i.e. four members will have an initial five year term;
- C. Compensation. If authorized by the board, members of the board may be compensated at the rate of \$35 per day. Minn. Stat. § 15.059, subd. 3 (1983).
- D. Removal. A member may be removed at any time at the pleasure

Dick Broeker
John Kari
April 27, 1984

of the appointing authority. Missing three consecutive meetings is grounds for removal and the chair of the board is to notify the appointing authority of a member missing three consecutive meetings. In addition, the secretary of the board is to notify any member who misses two meetings that the member is subject to removal if a third consecutive meeting is missed.

2. EXECUTIVE DIRECTOR

- A. Appointment. The executive director is hired and fired by the board of directors.
- B. Salary. Under Section 72, the salary of the executive director is set by the board "within the limits set by sections 15A.081, subd. 1, and 43A.17."

Minn. Stat. § 15.081, subd. 1, provides two things:

- 1. A list of specific positions with designated salary ranges; and
- 2. Procedures to set the salary within the designated ranges "upon approval of the legislative commission on employee relations and the legislature as provided by Minn. Stat. § 43A.18, subds. 2 and 5."

The language of Section 72, therefore, creates a dilemma for the board in two areas:

- a. Section 15A.081 provides three salary ranges for specifically enumerated officials, but Section 72 of the authorizing legislation does not designate which range applies to the World Trade Center executive director. In absence of such specification, presumably the board can select the salary range it deems appropriate. For your information, I am attaching a copy of Section 15A.081.
- b. Section 72 does not make clear whether the executive director's salary is subject only to the ranges specified in Section 15A.081 or also to the procedures prescribed in that section.

The procedural part of Section 15A.081, subd. 1, incorporates salary approval procedures under Section 43A.18, subds. 2 and 5. Subdivision 5 provides, in pertinent part:

The initial salary of a head of an agency hereafter established, whose salary is not specifically prescribed by law, shall be fixed by the Governor, after consultation with the Commissioner (of Employee Relations) whose recommendation shall be advisory only,

Dick Broeker
John Kari
April 27, 1984

in an amount comparable to the salary of
an agency head with similar duties and responsibilities.

In this instance, the board, rather than the Governor, is authorized to set the initial salary of the executive director. If the procedural requirements of Section 15A.081, subd. 1, are applicable, then the board would first consult with the Commissioner of Employee Relations under 43A.18, subd. 5.

If section 43A.18, subds. 2 and 5, are applicable, they also provide that the salary recommendations be reviewed and approved, rejected, or modified by the legislative commission on employee relations and, ultimately, submitted to the legislature for approval.

Since the language of Section 72 in the authorizing legislation is unclear with respect to the procedural provisions of Section 15A.081, the board will have to assess the legislative intent in that regard. The board will have to decide, based upon its knowledge of the legislative proceedings, whether the procedures for salary review by the commissioner of employee relations, the legislative commission on employee relations, and the legislature were intended to apply to the process of setting the executive director's salary.

Section 72 also makes the executive director's salary subject to the limits of Section 43.17. The portions of Section 43A.17 applicable to the executive director's salary provide as follows:

1. The salary of the executive director is the upper limit of compensation in the agency.
2. The compensation plan will not permit an employee to convert accumulated vacation leave into cash or deferred compensation before separation from state service.

In summation, the board should make two determinations:

1. Identifying the appropriate salary range applicable to the executive director under Section 15A.081, subd. 1, and then setting the salary within that range.
2. Determining whether the procedures incorporated in section 15A.081, subd. 1, for consultation with the commissioner of employee relations, the legislative commission on employee relations, and the legislature are applicable to the board's salary determination for the executive director.
3. EMPLOYEES
 - A. Appointment. Employees are appointed by the executive director in the unclassified service in accordance with Chapter 43A. Unclassified

Dick Broeker
John Kari
April 27, 1984

appointments do not require public notice, and the executive director may appoint any person he considers qualified. The commissioner of employee relations must be given the person's resume. Minn. Rules 3900.9100.

- B. Job Class and Salary. When a new position is established in the unclassified service, the commissioner of employee relations establishes a salary rate or range and official title for the position. You will need to work carefully with persons in the Department of Employee Relations to define appropriate job classes and position descriptions so that employees are eligible for the salary ranges you feel appropriate.

In the next few days I'll prepare a memo describing possibilities and procedures for administration of personnel and accounting functions.

- C. Affirmative Action. The executive director will be required to submit to the Commissioner of Employee Relations an affirmative action plan for the agency. The plan must state the executive director's commitment to the affirmative action program of the state, his objective to hire members of protected groups when vacancies occur if there is an apparent underutilization of protected group members in the agency, and describe an internal procedure for processing complaints of alleged discrimination. Minn. Rule 3905.0400. Additionally, the executive director must submit to the Commissioner of Employee Relations a semi-annual report of the agency's efforts to meet affirmative goals. Minn. Rule 3905.0700.

4. WORLD TRADE CENTER FUND

The World Trade Center has a dedicated fund in the state treasury established in Section 73 of the authorizing legislation. You will need to have an employee who is responsible for the revenue and accounting function. One alternative is to contract with another state agency to provide administrative services, such as accounting and personnel. There may be some advantages to you in that arrangement, and we can discuss the pros and cons in my memo on administrative options.

5. GIFTS

Section 74 authorizes the board to accept gifts "without regard to Sections 7.092, 7.12, if the board determines that the gift will serve the purposes of the World Trade Center." The exemption from Section 7.09 eliminates procedures for approval and acceptance of gifts by the state treasurer. The exemption also removes the gifts from the state treasurer's authority to administer, invest, and make payment from gifts. Thus, because of the exemptions, the board is authorized not only to accept gifts, but also to use and apply gifts as the board determines will serve the purposes of the World Trade Center.

6. WORLD TRADE CENTER SERVICES

Among the powers granted to the World Trade Center Board in Section

Dick Broeker
John Kari
April 27, 1984

77, subds. 1(3) and (4), is the authority to establish and charge fees for services and programs and to establish membership requirements without regard to Chapter 14.

The exemption from Chapter 14 allows the board to establish fees and membership requirements without conducting formal rulemaking proceedings. This is a definite time-saving exemption.

7. CONTRACTS

Section 77, subd. 2, provides that "in making any expenditure or contract, the board is not subject to Chapter 16."

In general, Chapter 16 describes specific requirements and procedures applicable to contracts made by state agencies and further describes the powers and duties of the Commissioner of Administration, including supervisory authority over the contracts and other activities of state agencies. For example, under Chapter 16, the Commissioner of Administration has authority to:

1. Supervise and control the making and distribution of publications of all kinds issued by state agencies. Minn. Stat. § 16.026, subd. 2.
2. Administer standards and competitive bidding procedures for all purchases of supplies, materials, equipment and utilities. Minn. Stat. §§ 16.07, 16.12, 16.28.
3. Administer the small business set asides, Minn. Stat. § 16.083, and the preference for American-made materials, Minn. Stat. § 16.073.
4. Review and manage all contracts for professional, technical and consultant services. Minn. Stat. § 16.098.

Further, Chapter 16 makes all contracts and leases subject to approval as to form and execution by the Attorney General. That section also requires that a copy of every contract or lease extending for a term longer than one year be filed with the Commissioner of Finance. Minn. Stat. § 16.09.

Minn. Stat. § 16.095 provides that contracts made under the supervision of the Commissioner of Administration shall include an audit clause.

The exemption from Chapter 16 would seem to relieve the World Trade Center Board from compliance with all of the foregoing requirements.

There is one further provision in Chapter 16 which has considerable implication for the World Trade Center Board. Minn. Stat. § 16.02, subd. 10, is the provision that limits the lease of land or premises to a term not exceeding five years, subject to cancellation upon thirty days written notice by the state.

Dick Broeker
John Kari
April 27, 1984

It would seem that the language in Section 77 exempting "any expenditure or contract" from Chapter 16 would also exempt the World Trade Center Board from the requirements and limitations on leases in Section 16.02, subd. 10.

We will have to give some further thought to the implications of this exemption. There is an overriding constitutional limitation in Article 11, Section 1 of the Minnesota Constitution which has been held to prohibit any contractual obligation from being incurred by the state unless there is a valid appropriation to fund the contractual agreement. Since the World Trade Center Board has no appropriations to fund a long term lease, there may be a constitutional limitation on the lease term, irrespective of the exemption from Chapter 16.

8. RETIREMENT SYSTEM

Section 126 of the supplemental appropriations bill makes employees of the world Trade Center Board, who are in the unclassified service, eligible for coverage under the Minnesota state retirement unclassified program. I am not sufficiently familiar with the state retirement system to advise you on the relative merits or disadvantages of inclusion in the unclassified retirement plan. (Although I am a member of its myself).

I hope this memo explains the significance of the exemptions contained in the authorizing legislation, as well as some indication of the express statutory requirements which will apply to the Board.

If you have any questions regarding this memo, please advise.

SH/sw

Attachment

MINNESOTA WORLD TRADE CENTER
WORLD TRADE CENTER BOARD
1300 CONWED TOWER 444 CEDAR STREET SAINT PAUL, MINNESOTA 55101
(612) 297-1580

TO: Commissioner Nina Rothchild
Department of Employee Relations

Commissioner Jay Kedrowski
Department of Finance

FROM: Wendy Olson, *WJ*
Office Manager

DATE: September 9, 1985

RE: Agency Procedures in Regard to Special Expenses

Attached are the Minnesota World Trade Center Board's Procedures regarding special expense requests. They are being submitted for your review pursuant to the Department of Employee Relations Administrative Procedure 4.4, dated 5-9-83.

If you have any questions, please call me at 297-1589.
Thank you.

WO:cor

attachment

SPECIAL EXPENSE

In accordance with Department of Employee Relations Administrative Procedure 4.4, the following policies and procedures are adopted to review and approve/disapprove special expense requests by the staff of the Minnesota World Trade Center Board.

DEFINITION:

Special Expenses are defined as necessary, extraordinary expenses incurred by a staff member in connection with his/her assigned official position responsibilities. Special Expenses are further defined as those expenses not reimbursable through regular travel expense regulations.

Special Expenses include:

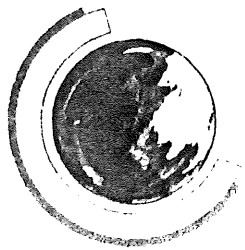
- Full cost of meal when it is a part of the structured agenda of a conference, workshop, seminar, or meeting with the President or Director of Administration has authorized the employee to attend (this does not include routine staff meetings).
- Registration and tuition fees for conference, seminars, workshops, or education courses.
- Lodging if the employee is not in travel status:
 1. When weather conditions or other unforeseen occurrences prevent the employee from returning home; or
 2. If the President or Director of Administration authorizes overnight participation for an approved event. Authorization will be based on the benefit of such participation to the State.
- Expense reimbursement for lodging, travel, and meals for one attendant for a handicapped employee who requires daily assistance in performing various personal tasks of who has special ability means.
- Expense as follows for employees assigned to work at the State Fair:
 1. Fee for admission to the fair grounds;
 2. One meal during each shift of fewer than 10 hours or two meals during each shift of 10 hours or more, subject to the meal amounts for in-state travel contained in collective bargaining agreements or plan;

3. Taxi fare for handicapped employees who are unable to drive or use other means of transportation between the normal work station and the fair grounds, or between the employee's residence and the fair grounds, whichever distance is less.
- Expense reimbursement for International Travel will be based upon the allowances specified in the applicable collective bargaining agreement or plan for out-of-state travel except as follows:
 1. If the above amount is insufficient in the country the employee is traveling the reimbursement for breakfast, lunch and dinner may exceed the above limits but not in excess of \$75 per day (breakfast \$18.00, lunch \$21.00, dinner \$36.00) when traveling outside the United States and Canada.
 2. Laundry and dry cleaning shall not exceed an amount equal to the cost of dry cleaning, pressing, and laundering for two men's suits and five men's shirts per week as specified in the same document for each week or partial week following the first seven days in which the employee is in travel status, as specified in the above directory.
 - Cost necessary to entertain Minnesota World Trade clients and their spouses including meals, social foods and beverages, tickets to sports, arts and special events, lodging and gifts if such an exchange is customary in the client's homeland culture when hosting for a like event.
 - Travel accommodations when apart from clients are to comply with travel rules for state employees. When accompanied by a client, accommodations may adhere to the custom of the client.

PROCEDURE:

All requests for approval of special expenses will be submitted on Form No. FI0023-03 of the Department of Finance entitled "Request For Approval to Incur Special Expenses". This form must be approved by President or Director of Administration no less than five (5) working days before the event. Forms are then given to business manager who will distribute copies to the appropriate personnel and/or agencies involved.

Requests for approval after the fact may be approved, but must be accompanied by a statement indicating why prior approval was not obtained.



MINNESOTA
WORLD
TRADE
CENTER

REVISED POLICY 2-20-86

SPECIAL EXPENSE

- ° Staff submit form FI-00023-03 for Special Expense to Accounting Officer, Inter. ...
Copy kept on file.
- ° Approval or Denial by Executive Director or Deputy Director
- ° Accounting Office Intermediate types up purchase order and submits appropriate copies to Commerce Department, Fiscal Services for requisition of funds.
- ° When invoice is received, Accounting Officer Intermediate reviews for accuracy and stamps approved for payment. Submits to Commerce Department, Fiscal Services for payment.


DEPARTMENT EMPLOYEE RELATIONS - 3RD FLOOR
520 LAFAYETTE ROAD

STATE OF MINNESOTA

Office Memorandum

TO: Pam Falk
MN World Trade Center

DATE: 05/26/87

FROM: Richard Thorkee 
Administrative Services Manager

PHONE: 296-6538

SUBJECT: Special Expense Procedures

In response to your inquiry, the Special Expense Procedures submitted by the World Trade Center have been reviewed by staff in the Department of Employee Relations and Finance. Your procedures are approved effective October 1, 1986.

RT:ej

cc: Roy Muscatello

ATTACHMENT B
Travel Policy

MINNESOTA WORLD TRADE CENTER
WORLD TRADE CENTER BOARD
620 CONWED TOWER 444 CEDAR STREET SAINT PAUL, MINNESOTA 55101
(612) 291-8900

TO: WORLD TRADE CENTER BOARD
FROM: John Kari
DATE: August 14, 1984
RE: EXPENSE PROCEDURES

I. PER DIEM

According to the Bylaws a per diem is allowed to voting members of the Board under Section 15.059 for attendance at each official activity of the Board as determined by the Chair, including the regular monthly or special meetings of the Board and Committee meetings.

The Secretary of the Board will maintain the attendance records of each official activity and at the beginning of each month, submit for payment directly to Board members per diems for the previous month. Board members should inform the Board Secretary of attendance at official activities other than Board meetings and committee meetings to insure proper credit.

Board members may decline per diem payments by submitting a written notice to the Board Secretary.

II. EXPENSES

While traveling on Board business, Board members are entitled to be reimbursed for expenses in the same manner and amounts, as are professional employees of the State of Minnesota.

Transportation

All transportation must be in coach class. Receipts are required for air, train, and rental car fares. Taxi, local bus, and limousine service may be claimed without a receipt and may include a reasonable gratuity.

Personal vehicle use may be claimed at the rate of 27 cents (twenty-seven) per mile. Parking costs may be claimed.

Food

Expenses for meals including tax and gratuity may be claimed but not in excess of the following amounts:

Outside Minnesota

Breakfast	\$6.00
Lunch	\$7.00
Dinner	\$12.00

No receipts are needed for meal expenses.

Breakfast reimbursement may be claimed on the day of departure if you leave home before 6:00 A.M. Dinner may be claimed on the day of return only if the return home occurs after 7:00 P.M. No one may claim lunch reimbursement within 35 (thirty-five) miles of home and no one who resides in the Seven County Metropolitan Area may claim expenses for a lunch which takes place in the Metropolitan Area.

Lodging

Board members may claim the actual cost of reasonably priced lodging upon presentation of a receipt.

Advances

Board members may receive advances for out-of-state travel for official activities. All out-of-state travel must be approved by the Chair. The "Employee Expense Report" form is to be used to receive an advance.

Reimbursement

The Board Secretary will send to each Board Member monthly, an "Employee Expense Report" to be filled out by the Board member and returned. This is for Board activities conducted in Minnesota. The Board Secretary will submit reports for payment directly to the Board members.

Reimbursement for out-of-state travel should be submitted by Board members upon returning.

Board members should inform the Board Secretary of their social security numbers and the mailing address where they want their reimbursement/per diem checks sent.

SPECIAL EXPENSE

In accordance with Department of Employee Relations Administrative Procedure 4.4, the following policies and procedures are adopted to review and approve/disapprove special expense requests by the staff of the Minnesota World Trade Center Board.

DEFINITION:

Special Expenses are defined as necessary, extraordinary expenses incurred by a staff member in connection with his/her assigned official position responsibilities. Special Expenses are further defined as those expenses not reimbursable through regular travel expense regulations.

Special Expenses include:

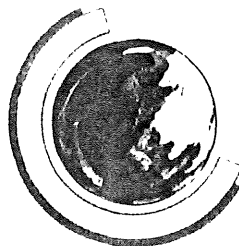
- Full cost of meal when it is a part of the structured agenda of a conference, workshop, seminar, or meeting with the President or Director of Administration has authorized the employee to attend (this does not include routine staff meetings).
- Registration and tuition fees for conference, seminars, workshops, or education courses.
- Lodging if the employee is not in travel status:
 1. When weather conditions or other unforeseen occurrences prevent the employee from returning home; or
 2. If the President or Director of Administration authorizes overnight participation for an approved event. Authorization will be based on the benefit of such participation to the State.
- Expense reimbursement for lodging, travel, and meals for one attendant for a handicapped employee who requires daily assistance in performing various personal tasks of who has special ability means.
- Expense as follows for employees assigned to work at the State Fair:
 1. Fee for admission to the fair grounds;
 2. One meal during each shift of fewer than 10 hours or two meals during each shift of 10 hours or more, subject to the meal amounts for in-state travel contained in collective bargaining agreements or plan;

3. Taxi fare for handicapped employees who are unable to drive or use other means of transportation between the normal work station and the fair grounds, or between the employee's residence and the fair grounds, whichever distance is less.
- Expense reimbursement for International Travel will be based upon the allowances specified in the applicable collective bargaining agreement or plan for out-of-state travel except as follows:
 1. If the above amount is insufficient in the country the employee is traveling the reimbursement for breakfast, lunch and dinner may exceed the above limits but not in excess of \$75 per day (breakfast \$18.00, lunch \$21.00, dinner \$36.00) when traveling outside the United States and Canada.
 2. Laundry and dry cleaning shall not exceed an amount equal to the cost of dry cleaning, pressing, and laundering for two men's suites and five men's shirts per week as specified in the same document for each week or partial week following the first seven days in which the employee is in travel status, as specified in the above directory.
 - Cost necessary to entertain Minnesota World Trade clients and their spouses including meals, social foods and beverages, tickets to sports, arts and special events, lodging and gifts if such an exchange is customary in the client's homeland culture when hosting for a like event.
 - Travel accommodations when apart from clients are to comply with travel rules for state employees. When accompanied by a client, accommodations may adhere to the custom of the client.

PROCEDURE:

All requests for approval of special expenses will be submitted on Form No. FI0023-03 of the Department of Finance entitled "Request For Approval to Incur Special Expenses". This form must be approved by President or Director of Administration no less than five (5) working days before the event. Forms are then given to business manager who will distribute copies to the appropriate personnel and/or agencies involved.

Requests for approval after the fact may be approved, but must be accompanied by a statement indicating why prior approval was not obtained.



MINNESOTA
WORLD
TRADE
CENTER

TO: Minnesota World Trade Center Staff

FROM: Jan Brown *Jan*

DATE: August 15, 1986

RE: Travel Reimbursement

With the recent publicity regarding the Department of Human Rights, I thought I'd refresh everyone's memory regarding travel regulations.

All travel expenses will be reimbursed in accordance with the guidelines established by the Department of Employee Relations. These are:

- \$.21 per mile reimbursement for business miles.
- \$6.00 for breakfast provided that you leave home before 6:00 A.M., or are away from home over night.
- \$7.00 for lunch provided you are outside the seven county metropolitan area.
- \$12.00 for dinner provided that you cannot return home until after 7:00 P.M. and/or you are away from home over night out of the seven county metropolitan area.
- Hotel costs are reimbursed at the going rate accompanied by a receipt. Remember to keep your meal charges off of your hotel receipt.
- Commercial transportation (air, taxi and rental car) at going rate accompanied by a receipt. I am in the process of getting credit cards with the three major car rental companies (Hertz, Budget and National) so that the WTC can be billed directly.

All employees' plane reservations will be made by Charlotte so that they also can be billed directly to the WTC. There have been several conversations this past week regarding frequent flyer perks. I have talked to the Department of Employee Relations regarding the policy on the use of these. According to Minnesota Statutes 43A.38, Subd. 2. these

"perks" belong to the State and shall be returned to the State for use on State-related business. Arrangements have been made with Schilling Travel to notify the airlines of your frequent flyer account number. Therefore each one of you will be responsible to notify Charlotte of your account number and to provide me with copies of your statements. The easiest way to handle this would be to have your account statement mailed to the office. I will be keeping a running total of the credits each of you have and will notify Charlotte of the balances so that she can use them for your business trips.

I will be developing a travel policy and procedure in the near future that will give exact instructions.

JB:cor



Office of the Legislative Auditor
Veterans Service Building, Saint Paul, Minnesota 55155