



# State of New Hampshire

## Banking Department

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May 23, 2017

His Excellency Governor Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, NH 03301

Your Excellency and Honorable Council:

### REQUESTED ACTION

Pursuant to RSA 9:15 be it resolved to authorize the Banking Department to establish a Petty Cash Fund of \$12,000 for travel-related cash advances.

### EXPLANATION

This request would create a new revolving fund to be used to provide cash advances to Banking Department employees for travel-related expenses.

A majority of Banking Department employees are required to travel frequently, both in-state and out-of-state, to perform their jobs. A historical review of the most recent 18 month period indicates that, on average, Banking Department employees incur \$11,119 in travel expenses per month.

A minority of travel expenses are for airline tickets and rental car fees that can be placed on the state charge account at Milne Travel. The majority of travel expenses are for hotel rooms, vehicle mileage, per diem meal reimbursements and incidental costs. To cover these costs Banking Department employees may either seek a cash advance from the Governor and Council or pay the costs "out-of-pocket" and seek reimbursement once their assignment has been completed.

Seeking cash advances from Governor and Council are inefficient applications of limited time and sometimes employees do not receive enough advance notice of required travel to prepare and process a cash advance request. Non-airline travel expenses for conducting statutorily required on-site examinations of financial institutions generally range between \$300 and \$1,000 per examiner.

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They are often higher. Depending on their personal situations, some examiners do not have sufficient financial resources to pay these expenses out-of-pocket without suffering hardship.

The proposed Banking Department Cash Advance Revolving Fund (CARF) would address both of these issues, generating operational efficiency and improving employee morale.

Attachment A explains in detail how this account would work.

Your consideration of this request is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Little", with a long horizontal flourish extending to the right.

Gerald H. Little  
Commissioner

## Attachment A

### **Cash Advance Revolving Fund Proposal**

#### Issue:

Many members of the NHBD staff are required to travel to perform their duties and, rather than incur the time to request a cash advance of state funds from the Governor and Executive Council, or because they don't have enough advance notice of required travel to place a request before the Governor and Council, choose to place work-related charges on personal credit cards and request reimbursement from the Bureau of Accounts once job-related travel is completed. In instances when a cash advance request is made to the Governor and Council a significant amount of senior staff time is also consumed to process the request.

#### Solution:

Seek approval from Governor and Council to create a Cash Advance Revolving Fund (CARF) under NH RSA 9:15, with use limited to paying cash advances to NHBD staff required to travel for examinations or training, to attend conferences, or to perform other work-related duties, either in-state or out-of-state.

#### How it would work:

An analysis of the past 18 months shows that, on average, the NHBD incurs \$11,119 in travel-related expenses per month. Therefore, a Cash Advance Revolving Fund with an initial balance of \$12,000 should suffice in most months.

Employees required to travel to perform their duties will follow state policy and seek bids from Milne Travel for all major travel-related expenses (hotel, airfare, rental car), as they currently do. They also estimate other expenses such as mileage, per diem meal allowances and incidentals. Once the employee has completed the proper form and their direct supervisor has reviewed and approved the travel plans, the employee may seek a cash advance from the Cash Advance Revolving Fund. The Director of Operations will have authority to manage the timing of the payment to avoid the limited funds from being "reserved" by one employee, thereby preventing other employees whose travel may come sooner from being able to use the account.

Our goal is to create an option for department staff to complete their assignments without using personal funds. Airline and rental car fares can be put on the State of New Hampshire account at Milne Travel. Only charges that can't be put on the account a Milne (hotels, mileage, meals and incidentals), would be eligible for cash advances from the CARF. This limitation serves the additional purpose of minimizing the per event draw on the CARF, thereby making the limited funds available to a greater number of department employees.

Employees using the CARF will submit a reimbursement form to the Bureau of Accounts within two business days after the travel is completed and the Bureau of Accounts shall deposit the reimbursement in the NHBD Cash Advance Revolving Fund. Any amounts reimbursed by Bureau of Accounts greater than the CARF distribution received by the employee will be paid by the NHBD Cash Advance Account to the employee. If the amount reimbursed by the Bureau of Accounts is less than the CARF distribution, the employee shall reimburse the CARF for the difference.

