



13001 University Avenue  
Clive Iowa 50325-8225  
www.ialottery.com  
515.725.7900

Kim Reynolds · Governor  
Adam Gregg · Lt. Governor  
Matthew N. Strawn · Chief Executive Officer

# **AGENDA**

## **IOWA LOTTERY BOARD**

**March 26, 2019**  
**10:30 am**

**Dial In: 1-866-685-1580**  
**Code: 000 999 0332**

- I. Call to Order
  - a. Approval of Agenda
  - b. Approval of Minutes – December 11, 2018
- II. Quarterly Reports
  - a. Financial
  - b. Sales and Marketing
  - c. Security
  - d. IT Systems
  - e. External Relations
    - i. Support for National Problem Gambling Awareness Month
    - ii. Unclaimed \$1 Million Prize
    - iii. Legislative Update
  - f. Legal
- III. Approval of Membership Dues
- IV. Fiscal Policy Updates
- V. CEO Update
- VI. Board Member Recognition
- VII. Adjournment

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# MINUTES

## IOWA LOTTERY BOARD

December 11, 2018

10:30 a.m.

The Iowa Lottery Board convened at 10:30 a.m. at Lottery Headquarters in Clive; Board Chairperson Mary Rathje presiding.

### **Board Members Present:**

Mary Rathje; Sherrae Hanson; John Quinn; Connor Flynn; Hon. Michael Fitzgerald.

### **Board Members Present on Teleconference:**

Mary Junge

### **Board Members Absent:**

None.

### **Lottery Staff Participating:**

Terry Rich, CEO; Larry Loss, COO; Teri Wood, VP, Sales and Marketing; Michael Conroy, VP, Finance; Cam Coppess, VP, Security; Hale Strasser, VP, Systems; Rob Porter, VP, Legal Counsel; Mary Neubauer, VP, External Relations; David Ranscht, Assistant AG; Deb Bassett, Board Secretary.

### **Others Present:**

David Berger, Scientific Games; Joshua Leinbaugh, DCI; Chris Rich, DCI; Josh Dagit, DCI; Colleen Rowan, IGT; Steve Van Otterloo, DCI; John Bergma, DCI; Joe Erion, DCI; Dave Jobes, DCI; Bridget Godes Iowa Senate; Troy Nelson, DCI.

### **CALL TO ORDER**

Chairperson Rathje called the meeting to order at 10:30 a.m. and roll was taken. There was a quorum. Rathje announced the meeting would be held via teleconference in accordance with Iowa Code section 21.8.

Quinn moved to conduct the meeting via teleconference. Hanson seconded. Motion carried unanimously.

### **APPROVAL OF AGENDA**

Hanson moved to approve the agenda for the meeting. Quinn seconded. Motion carried unanimously.

### **APPROVAL OF MINUTES**

Quinn moved to approve the September 20, 2018, board meeting minutes. Hanson seconded. Motion carried unanimously.

Flynn arrived at 10:33 a.m.

## **QUARTERLY REPORTS**

### **Financial:**

Conroy gave a financial report. The Performance Measures show that October was a very good month due to the record Mega Millions jackpot run and a very good Powerball run. Proceeds to the State through October were up over budget by \$10.8 million.

### **Marketing:**

Wood stated that in both October and November, the Lottery set record sales in the instant ticket product category and October set a record with \$20 million in sales. With respect to marketing, the holiday promotion is doing well and the planning for upcoming promotions are underway.

### **Security:**

Coppess provided a security report for September - November 2018. Coppess talked briefly about the Record of Contacts as it relates to thefts.

### **IT Systems:**

Strasser shared that the Lottery is working on the gaming system RFP; the RFP committee is in place and working towards modernizing the RFP requirements to ensure that it fits the Lottery's needs in the future.

### **External Relations:**

Neubauer played a video of Lerynne West of Redfield claiming her \$343.9 million Powerball jackpot prize in October. The prize is the largest ever won in Iowa.

### **Legal:**

Porter provided a brief update on litigation related to the Larry Dawson lawsuit and the Dale Culler class action lawsuit. Porter stated the Lottery has filed a motion for summary judgment in the Dawson case.

Flynn moved to approve the Quarterly Reports. Hanson seconded. Motion carried unanimously.

## **FISCAL POLICY UPDATES**

Conroy presented updates to the Lottery's fiscal policies involving travel. The updates align with DAS's fiscal policies. Conroy asked the board to approve the changes to the fiscal policies.

Quinn moved to approve the fiscal policy updates. Hanson seconded. Motion carried unanimously.

## **LEGISLATIVE UPDATE**

Neubauer provided an update on sports betting legislation. The Lottery Neubauer also discussed the Lottery's pre-filed legislation to modernize the Lottery. The proposed changes to Iowa Code chapter 99G address the Lottery's future needs as it relates to e-commerce technology and security.

## **CLOSED SESSION**

Rathje stated: "The Chair is advised that the CEO has a matter to discuss with the Board within the parameters of Iowa Code 99G.34 (7) and Chapter 21.5(1)(a); that the matter pertains to the DCI background check of a current or prospective Iowa Lottery Vendor."

The Chair noted that a vote is required during the public portion of the meeting prior to entering closed session. "The Chair will now entertain a motion to go into closed session pursuant to the provisions of Iowa Code Chapter 21.5(1)(a) which provides for a closed session to review or discuss records which are required or authorized by state or federal law to be kept confidential. Do I hear such a motion?"

Flynn moved for the board to go into closed session. Quinn seconded. A roll call vote was taken. Rathje – aye; Junge – aye; Hanson – aye; Quinn – aye; Flynn – aye. Motion carried unanimously.

The board entered into closed session at 11:40 a.m.

No action was taken during the closed session.

Open session resumed at 12:38 p.m.

Quinn moved to authorize the Lottery to move forward with all three contracts for instant ticket printing services. Hanson seconded. Motion carried unanimously.

#### **CEO UPDATE**

Rich reflected on the last 10 years at the Lottery. Rathje and the Board thanked Rich for his leadership as he prepares to retire at the end of December.

#### **ADJOURNMENT**

Quinn moved to adjourn. Hanson seconded. Motion carried unanimously.

Meeting adjourned at 12:47 p.m.

IOWA LOTTERY  
PERFORMANCE MEASURES  
FY 2019  
February 28, 2019

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2019	26,907,680	26,646,774	25,665,624	25,790,341	27,867,514	27,718,136	32,669,568	29,969,493	30,324,545	28,192,020	30,399,422	26,148,883
	Actual '19	29,622,964	28,137,578	27,038,517	48,165,957	29,214,539	31,481,092	33,502,349	29,545,718	-	-	-	-
Prize Expense	Budget FY 2019	14,819,287	15,718,890	14,916,775	15,443,662	16,549,800	16,676,303	19,647,909	18,255,876	18,821,805	18,125,368	19,116,971	16,579,354
	Actual '19	18,466,693	17,856,707	17,053,365	28,218,927	18,178,870	21,800,772	19,598,399	17,729,028	-	-	-	-
Operating Expenses	Budget FY 2019	1,276,128	1,321,713	1,186,388	1,346,163	1,283,532	1,233,496	1,326,637	1,183,908	1,224,446	1,275,522	1,332,607	1,376,768
	Actual '19	1,094,102	1,047,192	1,037,029	1,160,083	1,163,937	1,045,381	1,170,765	994,582	-	-	-	-
Total Proceeds	Budget FY 2019	5,603,220	5,491,034	5,375,901	5,247,963	5,840,833	5,852,737	7,023,546	6,477,028	6,527,124	5,931,679	6,438,077	5,308,881
	Actual '19	7,025,446	5,608,787	5,986,711	13,960,288	6,543,459	5,394,227	8,923,800	7,249,429	-	-	-	-
YEAR TO DATE													
Gross Sales	Budget FY 2019	26,907,680	53,554,454	79,220,078	105,010,419	132,877,933	160,596,069	193,265,637	223,235,130	253,559,675	281,751,695	312,151,117	338,300,000
	Actual '19	29,622,964	57,760,542	84,799,059	132,965,016	162,179,555	193,660,647	227,162,996	256,708,714	-	-	-	-
Prize Expense	Budget FY 2019	14,819,287	30,538,177	45,454,952	60,898,614	77,448,414	94,124,717	113,772,626	132,028,502	150,850,307	168,975,675	188,092,646	204,672,000
	Actual '19	18,466,693	36,323,400	53,376,765	81,595,692	99,774,562	121,575,334	141,173,733	158,902,761	-	-	-	-
Operating Expenses	Budget FY 2019	1,276,128	2,597,841	3,784,229	5,130,392	6,413,924	7,647,420	8,974,057	10,157,965	11,382,411	12,657,933	13,990,540	15,367,308
	Actual '19	1,094,102	2,141,294	3,178,323	4,338,406	5,502,343	6,547,724	7,718,489	8,713,071	-	-	-	-
Total Proceeds	Budget FY 2019	5,603,220	11,094,254	16,470,155	21,718,118	27,558,951	33,411,688	40,435,234	46,912,262	53,439,386	59,371,065	65,809,142	71,118,023
	Actual '19	7,025,446	12,634,233	18,620,944	32,581,232	39,124,691	44,518,918	53,442,718	60,692,147	-	-	-	-

Current Month Year to Date

Prize Payout - Budget	60.91%	59.14%
Prize Payout - Actual	60.01%	61.90%
Sales - Actual increase (decrease) vs. Budget		14.99%
Proceeds - Actual increase (decrease) vs. Budget		29.37%

IOWA LOTTERY  
PERFORMANCE MEASURES  
FY 2019

February 28, 2019

MONTH		JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Gross Sales	Budget FY 2019	26,907,680	26,646,774	25,665,624	25,790,341	27,867,514	27,718,136	32,669,568	29,969,493	30,324,545	28,192,020	30,399,422	26,148,883
	5-year av.	27,515,199	28,583,429	25,975,331	26,174,391	26,595,898	29,433,228	34,583,052	30,023,819	31,193,731	29,102,327	29,610,248	26,996,042
	Actual '18	28,206,485	38,467,880	26,630,836	26,964,621	27,665,819	32,578,758	34,433,194	28,608,687	36,925,652	31,327,694	31,186,583	27,960,668
	Actual '19	29,622,964	28,137,578	27,038,517	48,165,957	29,214,539	31,481,092	33,502,349	29,545,718	-	-	-	-
Prize Expense	Budget FY 2019	14,819,287	15,718,890	14,916,775	15,443,662	16,549,800	16,676,303	19,647,909	18,255,876	18,821,805	18,125,368	19,116,971	16,579,354
	5-year av.	16,613,679	17,345,925	15,659,342	16,046,051	15,729,600	18,483,335	20,662,922	17,701,023	19,978,821	17,491,927	17,719,856	16,309,582
	Actual '18	17,143,244	22,941,217	16,472,093	16,851,231	16,580,357	20,151,447	20,974,949	17,423,782	23,619,771	19,700,548	18,613,035	17,019,400
	Actual '19	18,466,693	17,856,707	17,053,365	28,218,927	18,178,870	21,800,772	19,598,399	17,729,028				
Operating Expenses	Budget FY 2019	1,276,128	1,321,713	1,186,388	1,346,163	1,283,532	1,233,496	1,326,637	1,183,908	1,224,446	1,275,522	1,332,607	1,376,768
	3-year av.	1,082,579	1,093,710	1,019,626	1,068,131	1,092,387	1,100,392	1,073,865	1,016,547	1,060,720	1,030,676	1,191,636	1,423,101
	Actual '18	1,106,067	1,200,084	1,034,238	1,190,849	1,157,260	1,083,851	1,129,592	1,020,082	1,032,280	1,103,192	1,207,401	1,508,137
	Actual '19	1,094,102	1,047,192	1,037,029	1,160,083	1,163,937	1,045,381	1,170,765	994,582	-	-	-	-
Total Proceeds	Budget FY 2019	5,603,220	5,491,034	5,375,901	5,247,963	5,840,833	5,852,737	7,023,546	6,477,028	6,527,124	5,931,679	6,438,077	5,308,881
	5-year av.	6,571,827	6,316,523	6,590,716	5,968,373	6,392,547	6,154,345	8,692,842	7,792,031	6,352,943	6,887,978	7,197,506	5,959,314
	Actual '18	6,524,204	9,995,533	6,097,014	5,957,452	6,396,948	7,579,571	8,030,538	6,883,474	8,149,621	6,784,524	7,657,874	6,998,710
	Actual '19	7,025,446	5,608,787	5,986,711	13,960,288	6,543,459	5,394,227	8,923,800	7,249,429				

YEAR TO DATE

Gross Sales	Budget FY 2019	26,907,680	53,554,454	79,220,078	105,010,419	132,877,933	160,596,069	193,265,637	223,235,130	253,559,675	281,751,695	312,151,117	338,300,000
	5-year av.	27,515,199	56,098,628	82,073,959	108,248,350	134,844,248	164,277,476	198,860,528	228,884,347	260,078,078	289,180,405	318,790,653	345,786,695
	Actual '18	28,206,485	66,674,365	93,305,201	120,269,822	147,935,641	180,514,399	214,947,593	243,556,280	280,481,932	311,809,626	342,996,209	370,956,877
	Actual '19	29,622,964	57,760,542	84,799,059	132,965,016	162,179,555	193,660,647	227,162,996	256,708,714	-	-	-	-
Prize Expense	Budget FY 2019	14,819,287	30,538,177	45,454,952	60,898,614	77,448,414	94,124,717	113,772,626	132,028,502	150,850,307	168,975,675	188,092,646	204,672,000
	5-year av.	16,613,679	33,959,604	49,618,946	65,664,997	81,394,597	99,877,932	120,540,854	138,241,877	158,220,699	175,712,625	193,432,481	209,742,063
	Actual '18	17,143,244	40,084,461	56,556,554	73,407,785	89,988,142	110,139,589	131,114,538	148,538,320	172,158,091	191,858,639	210,471,674	227,491,074
	Actual '19	18,466,693	36,323,400	53,376,765	81,595,692	99,774,562	121,575,334	141,173,733	158,902,761				
Operating Expenses	Budget FY 2019	1,276,128	2,597,841	3,784,229	5,130,392	6,413,924	7,647,420	8,974,057	10,157,965	11,382,411	12,657,933	13,990,540	15,367,308
	3-year av.	1,082,579	2,176,289	3,195,915	4,264,046	5,356,433	6,456,825	7,530,690	8,547,237	9,607,957	10,638,633	11,830,269	13,253,370
	Actual '18	1,106,067	2,306,151	3,340,389	4,531,238	5,688,498	6,772,349	7,901,941	8,922,023	9,954,303	11,057,495	12,264,896	13,773,033
	Actual '19	1,094,102	2,141,294	3,178,323	4,338,406	5,502,343	6,547,724	7,718,489	8,713,071	-	-	-	-
Total Proceeds	Budget FY 2019	5,603,220	11,094,254	16,470,155	21,718,118	27,558,951	33,411,688	40,435,234	46,912,262	53,439,386	59,371,065	65,809,142	71,118,023
	5-year av.	6,571,827	12,888,350	19,479,066	25,447,439	31,839,986	37,994,331	46,687,173	54,479,204	60,832,147	67,720,125	74,917,631	80,876,945
	Actual '18	6,524,204	16,519,737	22,616,751	28,574,203	34,971,151	42,550,722	50,581,260	57,464,734	65,614,355	72,398,879	80,056,753	87,055,463
	Actual '19	7,025,446	12,634,233	18,620,944	32,581,232	39,124,691	44,518,918	53,442,718	60,692,147	-	-	-	-

	Current Month	Year to Date
Prize Payout - Budget	60.91%	59.14%
Prize Payout - 5-Year Average	58.96%	60.40%
Prize Payout - Actual	60.01%	61.90%
Sales - Actual increase (decrease) vs. 5-Year Average		12.16%
Proceeds - Actual increase (decrease) vs. 5-Year Average		11.40%
Sales - Actual increase (decrease) vs. Budget		14.99%
Proceeds - Actual increase (decrease) vs. Budget		29.37%

**IOWA LOTTERY AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Eight Months Ending Thursday, February 28, 2019**

	Month ended 2/28/2019	Month ended 2/28/2018	Year-to-date 2/28/2019	Year-to-date 2/28/2018
Operating revenues:				
Instant-scratch ticket sales	\$ 20,682,238.00	\$ 19,903,832.00	\$ 163,947,893.00	\$ 157,007,450.00
InstaPlay sales	744,304.00	807,827.00	7,829,784.00	6,263,911.00
Pick 3 sales	616,029.50	628,496.50	5,103,345.50	5,083,003.50
Powerball sales	3,759,403.00	3,714,696.00	32,763,923.00	42,783,821.50
Mega Millions Sales	1,589,721.00	1,364,413.00	28,074,125.00	13,132,775.00
Hot Lotto sales	-	-	-	3,761,425.00
Pick 4 sales	322,051.00	351,310.50	2,735,781.50	2,909,202.50
Lucky for Life sales	405,366.00	411,286.00	3,645,036.00	3,688,054.00
Lotto America sales	681,075.00	665,156.00	5,508,680.00	2,341,326.00
Pull-tab sales	745,530.05	761,670.00	7,100,146.32	6,585,311.36
Application fees	375.00	250.00	2,925.00	2,300.00
Other	755.51	1,861.57	52,435.09	5,554.55
Total operating revenues	29,546,848.06	28,610,798.57	256,764,074.41	243,564,134.41
Operating expenses:				
Scratch ticket prizes	12,968,251.00	12,788,552.00	109,545,455.22	103,250,428.14
InstaPlay prizes	499,782.63	525,961.19	5,427,437.39	4,057,062.01
Pick 3 prizes	366,007.70	373,587.90	3,024,677.30	3,010,942.10
Powerball prizes	1,833,592.50	1,777,356.50	15,628,368.59	20,697,553.00
Mega Millions prizes	797,128.35	700,285.64	14,405,794.98	6,565,116.22
Hot Lotto prizes	-	(10,326.00)	(46,872.00)	1,600,889.50
Pick 4 prizes	191,485.60	209,756.30	1,625,113.90	1,728,371.50
All or Nothing prizes	-	(2,582.00)	(354,534.99)	(84,486.82)
Lucky for Life prizes	230,826.24	234,502.85	2,096,515.64	2,215,604.99
Lotto America prizes	328,309.50	332,578.00	2,719,860.00	1,170,663.00
Pull-tab prizes	464,685.36	473,928.00	4,439,268.81	4,112,927.07
VIP Club prize expense	41,489.26	10,000.00	314,356.25	137,948.44
Promotional prize expense	7,469.80	10,181.72	77,319.52	75,299.47
Advertising/publicity	673,792.89	592,785.46	4,763,390.23	4,825,243.91
Retailer compensation expense	1,934,363.87	1,808,537.44	16,715,162.56	15,871,630.43
Ticket expense	366,287.26	427,631.03	2,195,237.62	2,161,820.91
Vendor compensation expense	482,077.36	654,276.81	4,186,965.63	5,319,021.44
Salary and benefits	781,910.97	817,828.27	6,870,883.78	7,129,400.89
Travel	17,800.85	19,113.89	170,453.67	154,063.49
Supplies	6,541.01	3,282.98	55,678.31	65,398.25
Printing	(223.30)	1,985.07	2,487.29	7,989.31
Postage	245.55	288.49	4,323.85	4,532.23
Communications	13,974.49	11,458.30	116,669.17	93,576.74
Rentals	26,047.30	25,260.28	205,927.56	204,358.20
Utilities	10,134.68	6,936.62	66,404.61	64,459.43
Professional fees	12,407.24	10,173.62	105,547.84	104,263.59
Vending machine maintenance	21,231.00	20,557.00	168,680.77	212,679.33
Outside services and repairs	67,223.65	66,310.94	548,003.96	535,470.16
Data processing	8,258.29	7,073.98	62,487.98	56,821.59
Equipment	68,515.83	80,863.95	345,043.82	328,564.35
Reimbursement to other state agencies	32,243.79	28,897.53	304,977.59	286,613.90
Depreciation	45,565.60	44,891.86	365,411.22	367,907.13
Other	5,262.51	4,748.85	42,754.43	70,846.04
MUSL/Lotto administrative expense	5,449.90	699.24	49,558.39	5,399.91
Total operating expenses	22,308,138.68	22,057,383.71	196,248,810.89	186,408,379.85
Operating income	7,238,709.38	6,553,414.86	60,515,263.52	57,155,754.56
Non-operating revenue (expenses):				
Proceeds provided to State General Fund	(7,249,429.07)	(6,883,474.00)	(58,192,145.57)	(54,964,734.18)
Proceeds provided to Veteran's Trust Fund	-	-	(2,500,000.00)	(2,500,000.00)
Interest income	54,829.43	17,196.28	235,694.88	125,210.44
Gain (Loss) on disposal of capital assets	-	-	4,350.00	(141,221.99)
Net non-operating revenues (expenses)	(7,194,599.64)	(6,866,277.72)	(60,452,100.69)	(57,480,745.73)
Change in net position	44,109.74	(312,862.86)	63,162.83	(324,991.17)
Net position beginning of period	4,969,246.79	6,345,401.40	4,950,193.70	6,357,529.71
Net position end of period	5,013,356.53	6,032,538.54	5,013,356.53	6,032,538.54

**IOWA LOTTERY AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Seven Months Ending Thursday, January 31, 2019**

	Month ended 1/31/2019	Month ended 1/31/2018	Year-to-date 1/31/2019	Year-to-date 1/31/2018
Operating revenues:				
Instant-scratch ticket sales	\$ 24,529,131.00	\$ 21,818,325.00	\$ 143,265,655.00	\$ 137,103,618.00
InstaPlay sales	789,512.00	638,098.00	7,085,480.00	5,456,084.00
Pick 3 sales	652,763.50	645,202.00	4,487,316.00	4,454,507.00
Powerball sales	3,015,542.50	6,414,511.00	29,004,520.00	39,069,125.50
Mega Millions Sales	2,001,767.00	2,532,751.00	26,484,404.00	11,768,362.00
Hot Lotto sales	-	-	-	3,761,425.00
Pick 4 sales	357,972.50	352,097.50	2,413,730.50	2,557,892.00
Lucky for Life sales	451,402.00	477,720.00	3,239,670.00	3,276,768.00
Lotto America sales	762,765.00	719,588.00	4,827,605.00	1,676,170.00
Pull-tab sales	941,493.48	834,901.31	6,354,616.27	5,823,641.36
Application fees	300.00	150.00	2,550.00	2,050.00
Other	548.65	536.04	51,679.58	3,692.98
Total operating revenues	33,503,197.63	34,433,879.85	227,217,226.35	214,953,335.84
Operating expenses:				
Scratch ticket prizes	14,813,491.30	14,498,659.97	96,577,204.22	90,461,876.14
InstaPlay prizes	531,707.50	440,070.00	4,927,654.76	3,531,100.82
Pick 3 prizes	385,998.10	380,021.20	2,658,669.60	2,637,354.20
Powerball prizes	1,389,629.50	2,964,188.50	13,794,776.09	18,920,196.50
Mega Millions prizes	989,846.71	1,291,496.52	13,608,666.63	5,864,830.58
Hot Lotto prizes	-	(7,281.00)	(46,872.00)	1,611,215.50
Pick 4 prizes	213,443.50	208,923.50	1,433,628.30	1,518,615.20
All or Nothing prizes	-	(1,923.00)	(354,534.99)	(81,904.82)
Lucky for Life prizes	248,807.46	274,036.77	1,865,689.40	1,981,102.14
Lotto America prizes	372,123.50	359,794.00	2,391,550.50	838,085.00
Pull-tab prizes	586,718.16	523,194.15	3,974,583.45	3,638,999.07
VIP Club prize expense	57,321.22	37,500.00	272,866.99	127,948.44
Promotional prize expense	9,312.23	6,268.22	69,849.72	65,117.75
Advertising/publicity	557,150.62	586,566.80	4,089,597.34	4,232,458.45
Retailer compensation expense	2,179,145.97	2,288,651.71	14,780,798.69	14,063,092.99
Ticket expense	275,569.96	312,669.62	1,828,950.36	1,734,189.88
Vendor compensation expense	543,143.42	786,498.83	3,704,888.27	4,664,744.63
Salary and benefits	932,797.45	923,080.04	6,088,972.81	6,311,572.62
Travel	13,877.28	20,356.89	152,652.82	134,949.60
Supplies	6,285.67	5,485.97	49,137.30	62,115.27
Printing	1,128.70	192.24	2,710.59	6,004.24
Postage	2,623.22	2,637.30	4,078.30	4,243.74
Communications	16,406.45	11,897.78	102,694.68	82,118.44
Rentals	26,128.60	25,300.92	179,880.26	179,097.92
Utilities	8,372.71	13,090.86	56,269.93	57,522.81
Professional fees	11,462.52	11,235.01	93,140.60	94,089.97
Vending machine maintenance	21,231.00	21,199.78	147,449.77	192,122.33
Outside services and repairs	75,875.72	73,809.55	480,780.31	469,159.22
Data processing	8,781.13	7,111.34	54,229.69	49,747.61
Equipment	46,451.73	12,861.60	276,527.99	247,700.40
Reimbursement to other state agencies	32,707.27	30,206.08	272,733.80	257,716.37
Depreciation	45,565.62	45,847.50	319,845.62	323,015.27
Other	6,566.59	5,166.25	37,491.92	66,097.19
MUSL/Lotto administrative expense	5,470.76	893.25	44,108.49	4,700.67
Total operating expenses	24,415,141.57	26,159,708.15	173,940,672.21	164,350,996.14
Operating income	9,088,056.06	8,274,171.70	53,276,554.14	50,602,339.70
Non-operating revenue (expenses):				
Proceeds provided to State General Fund	(8,923,800.24)	(8,030,538.40)	(50,942,716.50)	(48,081,260.18)
Proceeds provided to Veteran's Trust Fund	-	-	(2,500,000.00)	(2,500,000.00)
Interest income	28,506.53	15,957.37	180,865.45	108,014.16
Gain (Loss) on disposal of capital assets	-	-	4,350.00	(141,221.99)
Net non-operating revenues (expenses)	(8,895,293.71)	(8,014,581.03)	(53,257,501.05)	(50,614,468.01)
Change in net position	192,762.35	259,590.67	19,053.09	(12,128.31)
Net position beginning of period	4,776,484.44	6,085,810.73	4,950,193.70	6,357,529.71
Net position end of period	4,969,246.79	6,345,401.40	4,969,246.79	6,345,401.40



**IOWA LOTTERY AUTHORITY**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Six Months Ending Monday, December 31, 2018**

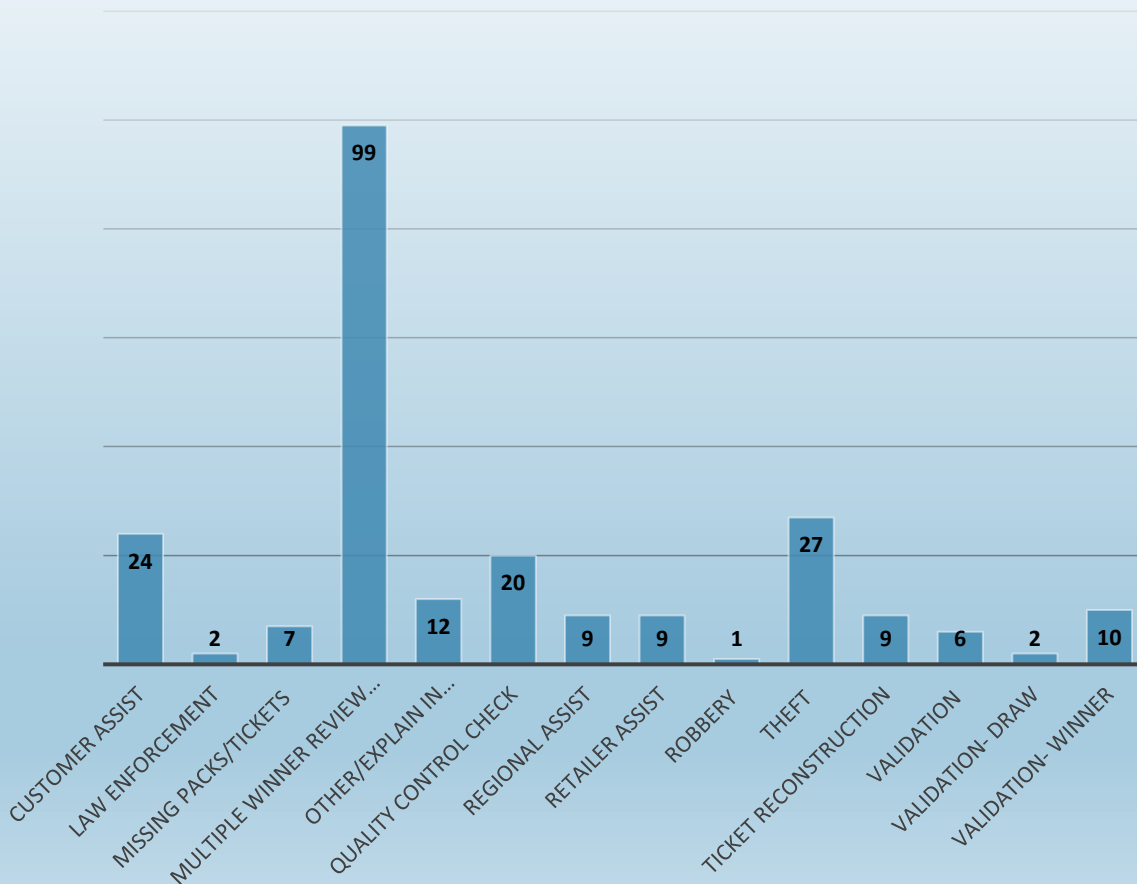
	Month ended 12/31/2018	Month ended 12/31/2017	Year-to-date 12/31/2018	Year-to-date 12/31/2017
Operating revenues:				
Instant-scratch ticket sales	21,323,745.00	20,592,877.00	118,736,524.00	115,285,293.00
InstaPlay sales	939,432.00	1,037,787.00	6,295,968.00	4,817,986.00
Pick 3 sales	684,727.00	646,702.50	3,834,552.50	3,809,305.00
Powerball sales	3,769,577.50	5,931,049.50	25,988,977.50	32,654,614.50
Mega Millions Sales	2,301,516.00	2,080,315.00	24,482,637.00	9,235,611.00
Hot Lotto sales	-	-	-	3,761,425.00
Pick 4 sales	364,544.50	368,290.00	2,055,758.00	2,205,794.50
Lucky for Life sales	472,834.00	431,808.00	2,788,268.00	2,799,048.00
Lotto America sales	754,236.00	648,886.00	4,064,840.00	956,582.00
Pull-tab sales	870,480.00	841,043.04	5,413,122.79	4,988,740.05
Application fees	150.00	400.00	2,250.00	1,900.00
Other	341.60	307.59	51,130.93	3,156.94
Total operating revenues	<u>31,481,583.60</u>	<u>32,579,465.63</u>	<u>193,714,028.72</u>	<u>180,519,455.99</u>
Operating expenses:				
Scratch ticket prizes	16,350,754.00	14,008,574.00	81,763,712.92	75,963,216.17
InstaPlay prizes	654,347.77	630,365.96	4,395,947.26	3,091,030.82
Pick 3 prizes	407,966.20	384,661.50	2,272,671.50	2,257,333.00
Powerball prizes	1,754,302.90	2,933,049.00	12,405,146.59	15,956,008.00
Mega Millions prizes	1,177,395.36	1,072,460.80	12,618,819.92	4,573,334.06
Hot Lotto prizes	-	(222,088.00)	(46,872.00)	1,618,496.50
Pick 4 prizes	217,571.70	219,539.00	1,220,184.80	1,309,691.70
All or Nothing prizes	-	(1,852.00)	(354,534.99)	(79,981.82)
Lucky for Life prizes	281,023.05	246,526.70	1,616,881.94	1,707,065.37
Lotto America prizes	369,096.00	324,443.00	2,019,427.00	478,291.00
Pull-tab prizes	544,232.00	526,015.67	3,387,865.29	3,115,804.92
VIP Club prize expense	37,500.00	23,900.00	215,545.77	90,448.44
Promotional prize expense	6,583.45	5,851.09	60,537.49	58,849.53
Advertising/publicity	637,394.74	560,591.58	3,532,446.72	3,645,891.65
Retailer compensation expense	2,065,993.31	2,187,498.07	12,601,652.72	11,774,441.28
Ticket expense	256,995.07	229,554.36	1,553,380.40	1,421,520.26
Vendor compensation expense	507,845.92	739,140.08	3,161,744.85	3,878,245.80
Salary and benefits	818,200.67	855,275.58	5,156,175.36	5,388,492.58
Travel	17,999.98	14,217.35	138,775.54	114,592.71
Supplies	2,355.31	3,763.15	42,851.63	56,629.30
Printing	190.24	-	1,581.89	5,812.00
Postage	212.47	258.13	1,455.08	1,606.44
Communications	13,675.75	12,871.00	86,288.23	70,220.66
Rentals	26,046.60	25,615.72	153,751.66	153,797.00
Utilities	9,208.17	7,710.04	47,897.22	44,431.95
Professional fees	13,305.03	13,553.00	81,678.08	82,854.96
Vending machine maintenance	21,231.00	21,231.00	126,218.77	170,922.55
Outside services and repairs	65,987.57	78,151.15	404,904.59	395,349.67
Data processing	7,884.02	7,079.16	45,448.56	42,636.27
Equipment	44,189.92	21,631.79	230,076.26	234,838.80
Reimbursement to other state agencies	37,981.16	32,150.84	240,026.53	227,510.29
Depreciation	45,565.62	46,826.24	274,280.00	277,167.77
Other	5,136.03	26,828.27	30,925.33	60,930.94
MUSL/Lotto administrative expense	12,105.71	634.57	38,637.73	3,807.42
Total operating expenses	<u>26,410,276.72</u>	<u>25,036,027.80</u>	<u>149,525,530.64</u>	<u>138,191,287.99</u>
Operating income	<u>5,071,306.88</u>	<u>7,543,437.83</u>	<u>44,188,498.08</u>	<u>42,328,168.00</u>
Non-operating revenue (expenses):				
Proceeds provided to State General Fund	(5,394,226.53)	(7,579,570.88)	(42,018,916.26)	(40,050,721.78)
Proceeds provided to Veteran's Trust Fund	-	-	(2,500,000.00)	(2,500,000.00)
Interest income	29,382.96	13,116.80	152,358.92	92,056.79
Gain (Loss) on disposal of capital assets	-	(1,250.00)	4,350.00	(141,221.99)
Net non-operating revenues (expenses)	<u>(5,364,843.57)</u>	<u>(7,567,704.08)</u>	<u>(44,362,207.34)</u>	<u>(42,599,886.98)</u>
Change in net position	<u>(293,536.69)</u>	<u>(24,266.25)</u>	<u>(173,709.26)</u>	<u>(271,718.98)</u>
Net position beginning of period	<u>5,070,021.13</u>	<u>6,110,076.98</u>	<u>4,950,193.70</u>	<u>6,357,529.71</u>
Net position end of period	<u>4,776,484.44</u>	<u>6,085,810.73</u>	<u>4,776,484.44</u>	<u>6,085,810.73</u>



# January – March 15, 2019 Board Report

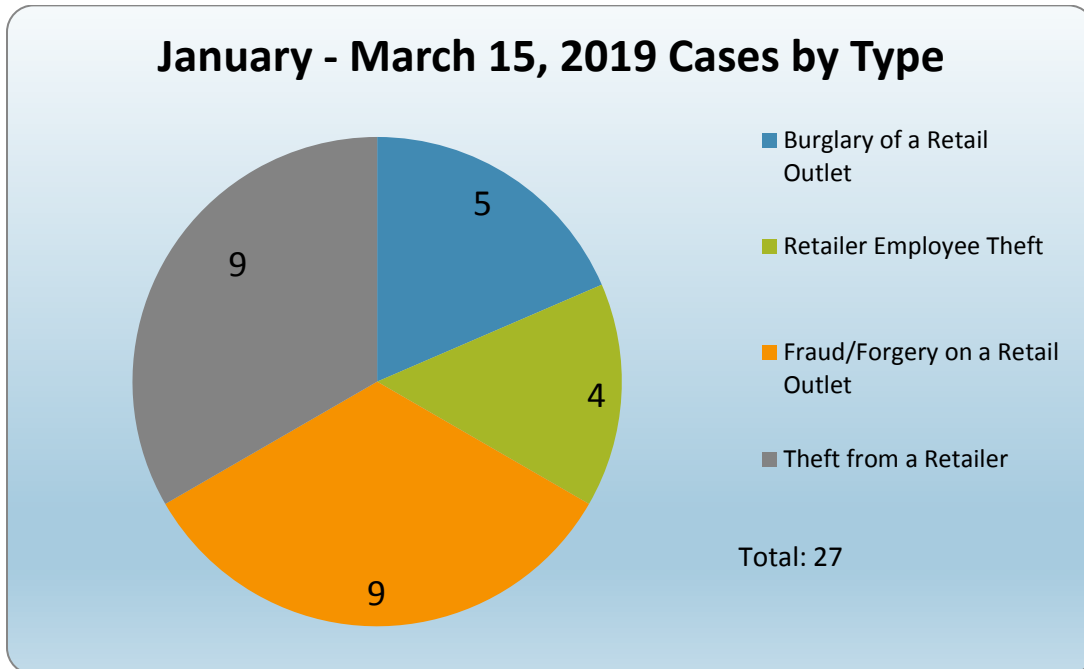


January - March 15, 2019 Record of Contacts by  
Type



Total 237

**Other:** (1) Quarterly Inspection of Game Management System (GMS) Vendor, (Urbandale Site), (1) Alcohol Beverage Division Collaboration, (1) Coupon Destruction Validation, (2) Firewall Reviews, (4) Ticket Re-construction Reviews, (3) Internal Control System (ICS) Log Audits.



#### Other Duties and Activities;

- Drawing and Winner Validation for (2) promotional drawings, Fa La La Loot and Suite Seats
- Winner Validation for (3) Powerball High Tier Winners, (1) Mega-Millions \$1,000,000 winner, (1) Lucky for Life 2<sup>nd</sup> Tier Winner, (\$390,000)
- Conducted **52** compliance/inspection checks on retail outlets, sent follow up letters to all retailers to provide results of the compliance check at their store
- **1** Scratch Ticket Vendor Ticket Printing & Plant Inspection, (Pollard)



13001 University Avenue  
Clive Iowa 50325-8225  
www.ialottery.com  
515.725.7900

Kim Reynolds · Governor  
Adam Gregg · Lt. Governor  
Matthew N. Strawn · Chief Executive Officer

Date: 3-26-2019

To: Iowa Lottery Board  
From: Larry L. Loss  
Re: 2019 Association Membership Dues

For many years, the Iowa Lottery has participated as a member of the Iowa Grocery Industry Association (IGIA), the Petroleum Marketers and Convenience Stores of Iowa, now known as Fuel Iowa, the North American Association of State & Provincial Lotteries (NASPL) and the World Lottery Association (WLA). As you are aware, the Board must approve memberships for the lottery. Generally, these billings come in at the same time, so as with past practice, we have packaged them for Board approval.

Membership and active participation in IGIA events and activities has led to greater cooperation between the Iowa Lottery and our retailers. IGIA represents the interests of a majority of our retailer outlets. Membership enables us to keep up to date on convenience and grocery store industry trends and concerns.

**ILA staff recommends approval of the \$500 membership dues in IGIA.**

Again, this year, the Iowa Lottery is seeking approval to participate as a business associate member of Fuel Iowa. Membership and active participation in retailer industry events has enabled us to keep our fingers on the pulse of the industry and has led to stronger bonds of cooperation between the ILA and our convenience store retailers. Convenience stores are the Lottery's largest retailer trade type.

**ILA staff recommends approval of the \$688 membership dues in PMCI.**

All North American lotteries are members of NASPL. NASPL plays a critical role in connecting member lotteries with essential education, information and communication on key trends and issues and acts as a united voice for the lottery industry on critical issues. NASPL is a key participant in building and maintaining relationships with national corporate retailers as well as the standardization or major procurements for member lotteries.

NASPL has changed their billing cycle. Instead of the membership dues being due annually in July, they will be due annually in January. As such, we submitted two invoices for your approval at the March 2018 board meeting and you approved the Lottery to continue its membership in NASPL through December 31, 2019.

**You do not need to take any action on the NASPL membership at this time.**

Staff further supports approval of membership in WLA. Through our membership in WLA, the Iowa Lottery has access to educational information and training seminars, current trends and issues, security information and the opportunity to learn from and interact with lotteries around the world. As with other ventures, lottery industry problems and opportunities are not constrained or defined by international borders.

**ILA staff recommends approval of the 5,600 Swiss Francs (approximately \$5,591.81 at the monetary exchange rate current when this document was prepared on March 18, 2019) membership dues for WLA.**

The membership dues for all of the organizations are the same amount as last year.

**We are asking for the Board's approval to continue our memberships.**

Enclosed are invoices from the Iowa Grocery Industry Association, Fuel Iowa and World Lottery Association.



2540 106th St., Suite 102  
Urbandale, IA 50322  
(515) 270-2628

RECEIVED

19 FEB 25 AM 12:00  
ACCOUNTING DEPT.

## Invoice

# 33606  
2/15/2019

Attn: Tom Warner  
Iowa Lottery  
13001 University Avenue  
Clive, IA 50325

Qty	Item	Price	Extended
1	Membership Dues - Supplier 3/1/2019-2/29/2020 - Tom Warner Comment: Supplier Dues, 3/1/19 - 2/28/20, Tom Warner - Iowa Lottery	\$500.00	\$500.00
		<b>Total: \$500.00</b>	

Contributions or gifts to the Iowa Grocery Industry Association are not tax deductible as a charitable contribution for income tax purposes. However, they may be tax deductible as ordinary and necessary business expenses subject to restrictions imposed as a result of association lobbying activities. The Iowa Grocery Industry Association estimates that the deductible portion of your 2018 Dues - the portion not allocable to Lobbying - is 62%. The non-deductible portion of your dues is 38%.



## Invoice

PMCI is now FUELlowa - Visit [www.FUELlowa.com](http://www.FUELlowa.com) for details

FUELlowa  
10430 New York Ave Suite F  
Urbandale IA 50322  
United States  
[info@FUELlowa.com](mailto:info@FUELlowa.com)  
515-224-7545

Date 2/25/2019  
Invoice # 64801

Due Date  
PO #

### Bill To

Iowa Lottery  
13001 University Ave  
Clive IA 50325  
United States

Item	Quantity	Description	Rate	Amount	Tax
AS001	1	Associate Dues July 2019 to June 2020	688.00	688.00	

A portion of dues payments to PMCI/FUELlowa may be deductible as an ordinary business expense, but are not deductible as charitable contributions for federal income tax purposes. PMCI/FUELlowa estimates that 74% of your dues (non-lobbying) may be deductible as a

Total 688.00  
Amount Due \$688.00





## HEADQUARTERS

**World Lottery Association**

Lange Gasse 20

PO Box

4002 Basel

Switzerland

Telephone +41 61 544 1100

Fax +41 61 544 7960

info@world-lotteries.org

CHE-100.972.547 MWST

## MONTREAL OFFICE

**World Lottery Association**

c/o Loto-Québec

500, rue Sherbrooke Ouest

Bureau 2000

Montréal, Québec H3A 3G6

Canada

Telephone +1 514 282 0273

Fax +1 514 873 8999

lynne.roiter@loto-quebec.com

**Invoice – Regular Member - Membership Fee 2019****Iowa Lottery Authority**

Matt Strawn

CEO

13001 University Avenue

50325 Clive, IA

USA

Invoice-Nr **RM 2019 138**  
Category **US\$ 100 to 500 million**  
Invoice Date **19 March 2019**  
Due Date **31 May 2019**  
Concerning **Regular member/ Membership fee 2019**

**Fee** **VAT exempt 0%** **5600 CHF**

Please compare your annual sales for 2017 (calculated in US\$) with the fee structure below. Should they place you in a different category than indicated above, please contact Nicole Bosshardt ([nicole.bosshardt@world-lotteries.org](mailto:nicole.bosshardt@world-lotteries.org)) at the WLA office. Upon clarification you will be sent a revised invoice.

**Fee Structure Annual sales / Membership fee**

up to US\$ 100 million	CHF 4,900	US\$ 1 to 4 billion	CHF 14,000
US\$ 100 to 500 million	CHF 5,600	over US\$ 4 billion	CHF 21,000
US\$ 500 million to 1 billion	CHF 8,400		

We kindly ask you to remit the fee in question by 31 May 2019.

Through settlement of this invoice, Iowa Lottery Authority formally reconfirms its WLA membership.

Payment details	Bank Details	Others
Company	<b>World Lottery Association</b> CH-4002 Basel, Switzerland	Please send your check to: <b>World Lottery Association</b> Lange Gasse 20 PO Box 4002 Basel Switzerland
VAT N°	CHE -100.972.547.	
Account N°	241502-81	
Bank	Crédit Suisse, 4051 Basel, Switzerland	
Swift Address	CRES_CH_ZZ_40A	
IBAN	CH18 0483 5024 1502 8100 0	

Please note your invoice number on the payment.

Bank fees: Please make sure that local bank fees are paid by sender.



## Iowa Lottery Authority—Financial Management

Section	Procedure No.	Page No.	Effective Date
Pre-Audit	204.200	1 of 2	<del>July 1, 2017</del> <u>January 1, 2019</u>
<b>Subject</b> General Provisions—Original Invoice			

1. “Original invoice” shall be defined as the copy of the invoice that any customer, including a department of the state of Iowa, would normally receive from the vendor. The acceptable invoice received from the vendor may be labeled “customer's copy,” “original invoice,” “payee copy,” or any other designation to denote the invoice was presented by the vendor to the customer.
2. If normal business practices of the vendor require credit card payment and an “electronic invoice,” that is an acceptable invoice, provided the electronic invoice includes: the vendor’s name, telephone number, address (including state), the purchased items(s) or service, date of purchase and the cost. A payment voucher, on a proper form and with proper authorization must accompany an “electronic invoice”.

“Electronic Invoice” shall be defined as the printed copy of an invoice or order that is generated electronically from a vendor doing commerce over the Internet. In general, an “electronic invoice” will be acceptable as an original invoice, provided it includes all the usual information about the vendor and the purchased goods/services. This allows for the confirmation of the purchase. An “electronic invoice” is acceptable provided the purchase has been made according to the ILA guidelines. This policy is not intended to increase or promote purchases over the Internet.

3. FAX copies or photocopies of original invoices are not acceptable as original invoices except in the following instances;
  - a. The FAX invoice or the photocopy invoice is the normal invoice presented for payment by the vendor.
  - b. The original invoice was lost or accidentally destroyed.

In these situations, the ILA must certify that the invoice is considered original and that no duplicate payment has been made.

4. When employees submit travel claims for reimbursement of expenses, original receipts must be attached to the travel payment (TP). The TP must also contain an original certification (see procedures 204.150(3), 204.400(2) and 210.102). For electronic receipts see Procedure 280.200. Reimbursement for travel expenses must be submitted within 30 days of completion of travel to the Finance department.
5. A voucher, which has been properly certified by the vendor, may be substituted for the original invoice. A “properly certified” voucher shall include an original signature and title

## Iowa Lottery Authority—Financial Management

<b>Section</b> Pre-Audit	<b>Procedure No.</b> 204.200	<b>Page No.</b> 2 of 2	<b>Effective Date</b> <del>July 1, 2017</del> <u>January 1, 2019</u>
<b>Subject</b> General Provisions—Original Invoice			

of the person signing the voucher as well as the date the claim is certified. See procedure 204.150.

6. The original invoice shall indicate in detail the items of service, expense, thing furnished, or contract upon which payment is sought, as well as the date the goods/services were received. If the invoice contains only merchandise numbers, or similar information, and does not contain details of what was purchased, then there must be a notation on the claim as to what goods/services were purchased.
7. Credit card receipts may be used for payment or reimbursement of expenses if the receipt contains all of the detailed information included on the usual customer receipt/invoice for that type of purchase. The detailed original receipt/invoice will be required if these criteria cannot be met. Specific examples of acceptable credit card receipts would be the type a customer receives at Menard's, Target, Wal-Mart, ~~K-Mart~~, etc., which includes a detailed description of each item purchased.
8. If the claimant submits a "generic invoice" (i.e., no typeset letterhead, no company name and address), the invoice must be signed and dated, in ink, by the claimant.
9. When an invoice has been altered and the alteration increases the amount the state will -pay, the change must be signed and dated by the vendor.
10. Transfers to state agencies do not require original invoices. The item purchased may be stated on the payment voucher in place of an invoice.
11. Transfers to the state that reflect the proceeds from lottery operations may be documented with a memo from a supervisor in the accounting section to the person preparing the transfer.

## Iowa Lottery Authority—Financial Management

<b>Section</b> Pre-Audit	<b>Procedure No.</b> 204.400	<b>Page No.</b> 1 of 1	<b>Effective Date</b> <del>September 29, 2011</del> <u>January 1, 2019</u>
<b>Subject</b> General Provisions--Miscellaneous			

1. Submission of claims and approval. All claims shall be printed from a computer, typewritten, or handwritten in ink.
2. Travel claims. All travel claims submitted shall state the actual expense incurred even if the expense exceeds maximum limitations by the claimant, and shall not include expenses for the purchase of miscellaneous items that are not needed in the performance of official duties. All travel payments shall contain the employee's vendor number or other individual identification with prior written approval of the CFO. All travel payments must also include the employee's signature and original receipts. See Procedures 204.150(3), 204.200(4) and 210.102.
3. Reimbursement – Reimbursement for travel expenses must be submitted within 30 days of completion of travel to the Finance department.
34. Property claims and real estate claims. Claims for personal property sold, the acquisition of real estate, or services rendered to the state must have the original invoices or other documentation attached whenever possible.
45. Forms for travel claims. All employee travel claims are to be on a travel payment (TP) or on a form approved in writing by the CFO. See Procedure 204.250.

## Iowa Lottery Authority—Financial Management

Section	Procedure No.	Page No.	Effective Date
Pre-Audit	210.100	1 of 1	<del>January 1, 2018</del> January 1, 2019
<b>Subject</b> Travel—General—General Information			

1. **Personal funds to be supplied.** All employees shall provide themselves with sufficient funds for all current expenses. For further details regarding direct billing, see procedure 210.115.
2. Reimbursable expenses and travel allowances shall be limited to an allowance for meals, lodging, transportation, and other actual and necessary travel expenses incurred by a traveler in the performance of official duties subject to applicable limitations. Funds for personal mileage will be reimbursed at the current rate allowable per mile (procedure 210.130(1)).
3. All official travel shall be authorized by the CEO or a designee prior to the travel whenever possible. ~~This applies to in-state and out-of-state travel.~~
4. Reimbursement for transportation approved by the CEO or designee shall be for the most economical or advantageous mode and by the most reasonable and/or direct route (see procedure 210.200(1)(c)).
5. Reimbursement for travel expenses must be submitted within 30 days of completion of travel to the Finance department.
56. The ILA recognizes that occasionally it is appropriate for ILA employees to purchase a meal for a vendor, a lottery official from another jurisdiction, or a retailer representative. The following guidelines shall be followed by ILA employees in such situations:
  - a. Restaurant choices should be appropriate for the circumstance; however, elegant meals are discouraged. Employee meal limitations are waived for this purpose.
  - b. Prior approval must be obtained from either the CEO or an ILA vice president. The names of the meal recipients, the recipients' employers, and the expected meal cost must be included in the request for approval. The CEO and vice presidents do not need prior approval.
  - c. The cost of the meal for the employee, and the cost for the vendor, visiting lottery official, or retailer representative must be separately itemized on the travel claim. Receipts for all meals falling under this policy are required. An itemized credit card receipt is acceptable.
  - d. Meals purchased for an employee's consumption within the employee's domicile are considered taxable income to the employee, except as provided in policy 210-108.

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Section	Procedure No.	Page No.	Effective Date
Pre-Audit	210.205	1 of 4	<del>July 31, 2017</del> <u>March 1, 2019</u>
<b>Subject</b> Travel—In-State—Subsistence Allowance			

1. The phrase “Subsistence Allowance” used herein includes all charges (including applicable taxes) for meals and lodging (single rate only).
2. Officers and employees with an overnight stay shall be allowed lodging and meal expense when required to travel outside their official domiciles and/or outside of their places of residence when different from their official domiciles. Reimbursement shall be within the following limits:
  - a. **Lodging.** The allowance for lodging shall not exceed a maximum of \$65.00 (plus applicable taxes) per day, or the maximum amount allowed by the Iowa Department of Administrative Services, if higher. Any additional charges made by a lodging facility for work related services such as internet, ~~radios~~, television, telephone, and other similar items are reimbursable and are not to be considered as part of the basic room charge when considering reasonable maximum lodging rates as outlined herein. The "reasonable maximum lodging" rate applies to the entire state.
    - (1) ORIGINAL RECEIPTS for lodging must be submitted in order to receive reimbursement. Lodging receipts consist of the itemized billing obtained from the hotel/motel or any overnight lodging facility and contain such information as the dates, room number, number of guests, name of facility, name of guest, location and additional pertinent information which may be used to verify other sections of the expense voucher claim. A lodging facility "statement" is not the same as an invoice and is not acceptable. A credit card slip is not allowable as an actual lodging facility receipt. Cash register tapes are not acceptable, either, as they do not contain the required information. Express/Rapid Check out receipts must also be itemized. The receipt may not necessarily show a zero balance, but must show the method of payment used (e.g., MC/AM/Visa, cash, etc.).
    - (2) Expense for lodging begins on the day the employee checks into the facility.
    - (3) Employees are to seek lodging facilities whose rates are within those prescribed above. Prior approval by the ILA’s CEO, COO, or CFO, ~~or Executive Vice President~~ is required to exceed the maximum lodging reimbursement rate EXCEPT in the following instances:
      - (a) There is only one lodging facility in the city.
      - (b) The employee is attending an in-state conference held at a lodging facility that has room charges above the maximum rate listed in 2(a) above, and the

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<b>Section</b> Pre-Audit	<b>Procedure No.</b> 210.205	<b>Page No.</b> 2 of 4	<b>Effective Date</b> <del>July 31, 2017</del> <u>March 1, 2019</u>
<b>Subject</b> Travel—In-State—Subsistence Allowance			

employee stays at the facility where the conference is being held.

- (c) The employee is staying in a locale where there is a major event that limits available rooms in that city (i.e. state or county fairs, state tournaments, festivals, etc.).

In these three instances, to be considered for reimbursement over the defined maximum allowed, a reasonable explanation for the additional lodging reimbursement must be attached to the claim.

All other requests for lodging reimbursement above the defined maximum must have the prior approval of the ILA's CEO, COO, or CFO, ~~or Executive Vice President~~. When seeking overnight lodging be sure to request the "state," "government," or "commercial" rate, as many facilities offer discounted rates that an ILA employee can and should obtain. If a special rate is not shown on a claim and the reason for this is not noted, the claim must be reduced to the appropriate discount rate that would have been charged if requested by the employee. However, if a facility's discounted rate is in excess of the ILA's reasonable rate, this is not sufficient justification to satisfy complete payment of the claim.

- (4) When employees room together, the cost of the room should be split between the employees equally. If only one receipt is provided, the original receipt should be attached to one employee's TP, copies of the receipt should be attached to the other employees' TPs, and the payments must be adequately cross-referenced and submitted together. If separate receipts are issued, no cross-referencing is necessary.
- (5) When an employee works at one location for a week or more, the weekly or monthly rate of the facility should be reported.

- b. **Meals.** Actual expenses up to a maximum of ~~\$28.00~~ \$37.00 per day, or the maximum amount allowed by the Department of Administrative Services, if higher, may be reimbursed for meals, as outlined below. See procedure 280.201 for an explanation of when to include time left and time returned on the TP.

**Maximum Reimbursable Meal Rates:**

- |               |                                   |
|---------------|-----------------------------------|
| (a) Breakfast | <del>\$5.00</del> <u>\$8.00</u>   |
| (b) Lunch     | <del>8.00</del> <u>\$10.00</u>    |
| (c) Dinner    | <del>15.00</del> <u>\$19.00</u>   |
| TOTAL         | <del>\$28.00</del> <u>\$37.00</u> |

~~Maximum Reimbursable Conference Meal Rates\*:~~

- ~~(a) Breakfast \$ 7.00~~

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~~(b) Lunch 10.00~~

~~(c) Dinner 18.00~~

~~TOTAL \$35.00~~

~~\*Reimbursable Conference Rate is limited to meals actually furnished by the conference.~~

- (1) Those traveling on ILA business who are required to depart **prior** to 6:00 a.m. -with an overnight stay may be reimbursed actual expenses up to the allowable maximum per day for three meals.
- (2) Those traveling on ILA business who are required to depart -after 6:00 a.m. but **prior** to lunch with an overnight stay may be reimbursed actual expenses up to the allowable maximum per day for lunch and dinner.
- (3) Those traveling on ILA business who are required to depart -**after** lunch with an overnight stay may be reimbursed actual expenses up to the allowable maximum per day for dinner.
- (4) Those traveling on ILA business with an overnight stay who return the next day after breakfast, but prior to lunch may be reimbursed actual expenses up to the allowable maximum per day for breakfast.
- (5) Those traveling on ILA business -with an overnight stay who return the next day after lunch, but prior to dinner may be reimbursed actual expenses up to the allowable maximum per day for breakfast and lunch.
- (6) Those traveling on ILA business -with an overnight stay who return the next day after 7:00 pm may be reimbursed actual expenses up to the allowable maximum per day for three meals.
- (7) The actual amount spent for the meal(s) is to be reported on the employee's TP for reimbursement, even though the amount allowed will be the lesser of the actual or the maximum.
- (8) When reporting more than one daily meal the actual expense can be distributed between those meals, and the amount allowed will be the lesser of the actual or the maximum applicable to the combined cost of the meals.
- (9) Receipts for meals are required per Executive Order #13. See Procedure 210.102 for more details.
- (10) Alcoholic beverages are NOT an allowable reimbursable expense and are not an

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allowable use of ILA monies.

- (11) Charges for room service are an allowable reimbursable expense as long as the total of the meals, including the room service charge, is within the maximum allowable limits.
- (12) When a meal is not purchased by the employee (i.e., if it is part of a registration fee, purchased by another individual, etc.) this should be noted on the TP. When this occurs, the maximum for the day becomes the allowable total of the other meals actually purchased by the employee on that particular day (see procedure 280.201 for an example). Employees shall not pay for meals of other employees. See procedure 210.110.
- (13) Tips are allowable for no more than 15% of the food bill (not including taxes), and up to the maximum allowed for reimbursement.

EXAMPLE: Employee is eligible only for ~~lunch~~ dinner reimbursement with an overnight stay~~reimbursement~~. The cost of the meal is ~~\$7.73~~ \$14.73 before tax plus \$0.88/tax. ~~and~~ the employee leaves a \$1.15~~\$2.21~~ tip. ~~Maximum allowed is \$8.00~~ the current allowable rate for reimbursement for lunch. The employee may claim reimbursement of \$17.82, which is the lesser of the maximum allowed (\$19.00) and the actual spent, including tip (\$17.82).

~~EXAMPLE: Employee is eligible only for lunch reimbursement. The cost of the meal is \$3.00 and the employee leaves a 50¢ tip. Maximum allowed is \$3.45—the actual spent for the food plus 15% for the tip.~~

- (14) Meals included on lodging receipts must be compared to the travel payment and employees must submit the itemized receipt. (A hotel bill which includes meals charged to the room is not acceptable documentation for meal expenses.)



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Pre-Audit	210.245	1 of 3	<del>January 1, 2019</del> <u>March 1, 2019</u>
<b>Subject</b> Travel—In-State—Board, Commission, Advisory Council, and Task Force Member Expenses			

This procedure outlines the policy governing travel for the board, commission, advisory council, and task force members. It is the published policy of the ILA that all individuals engaged in travel for official ILA business utilize the most economical mode of transportation. Section 1(b) of this policy addresses acceptable alternatives for when unique and unusual situations occur that prevents the most economical mode of transportation from being utilized.

### **1. Mode of Transportation**

#### **a. Use of Privately Owned Automobile**

With the exception noted in 1(b) below, board, commission, advisory council, and task force members normally use their private vehicle while conducting official ILA business.

- (1) The use of a privately owned vehicle will be subject to the fiscal policies of ILA. Reimbursement shall be on a mileage basis at a rate not to exceed the statutory rate as established by code, and must be for official ILA business. The per mile reimbursement includes all costs incurred in connection with the operation of the vehicle.
- (2) Whenever possible, board, commission, advisory council, and task force members should travel with more than one member to a vehicle.
- (3) Travel shall be by the most reasonable and/or direct route. Mileage shall be based on mileage published by the American Automobile Association (AAA), charts published by the Iowa Department of Transportation, or from internet sites such as MapQuest or similar sites. Any variation from the published mileage must be documented in writing (see procedure 280.201).

#### **b. Use of Special Conveyances**

In certain instances, aircraft may be utilized when board, commission, advisory council, or task force members travel for official ILA business. Documentation shall be available upon request to substantiate special conveyances. This substantiation in most instances will be from the perspective of cost effectiveness of the ILA and not that of the individual board, commission, council or task force member.

- (1) The use of aircraft is acceptable when a board, commission, advisory council, or task force member resides 150 driving miles or more from the meeting site. Mileage shall be based on most direct route and mileage determined on the Iowa Transportation map as published by the Department of

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Transportation.

- (2) If a board, commission, advisory council, or task force member resides within 150 miles of the meeting area, but is within the continuous flight pattern of the member who is outside of the 150 mile radius, those members may be picked up along the way, providing the extra stop is the most cost effective mode of transportation. A cost comparison must be attached to the claim relating to the airfare expense when it is submitted for payment.
- (3) Because the majority of board, commission, advisory council, and task force meetings are held in Des Moines, below is a listing of major Iowa cities that are 150 miles or more from Des Moines. Please note that this is not an all-inclusive listing.

Burlington	Ft. Madison	Rock Rapids
Clinton	Keokuk	Sabula
Davenport	LeMars	Sioux City
Decorah	Manchester	Spencer
Dubuque	Maquoketa	Spirit Lake
Estherville	McGregor	West Union

### 2. Subsistence Allowance

Board, commission, advisory council, and task force members are allowed 1 1/2 the rate employees are allowed while on official business for the ILA. Official domicile rules do not apply to meal reimbursements for board members. They are eligible to be reimbursed for meal costs without an overnight stay and regardless of where the meeting is held. These rates are rounded to the nearest dollar.

#### a. Meals

- (1) Actual expenses up to a maximum of ~~\$43.00~~ \$56.00 per day, or the maximum amount allowed by the Iowa Department of Administrative Services, if higher, may be reimbursed for meals, as outlined below.

(a) Breakfast	<del>\$8.00</del> <u>\$12.00</u>
(b) Lunch	<del>12.00</del> <u>\$15.00</u>
(c) Dinner	<del>23.00</del> <u>\$29.00</u>
TOTAL	<del>\$43.00</del> <u>\$56.00</u>

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- (2) Board, commission, advisory council, and task force members are allowed the same flexibility in regard to meals as are ILA employees.

Specifically, if a board member is in a travel status and is entitled to be reimbursed for all three meals, the board member can claim the amount actually expended, up to ~~\$43~~ 56 on any combination of meals for that day. He/She is not limited to ~~\$812.00~~ for breakfast, ~~\$1215.00~~ for lunch and ~~\$2329.00~~ for dinner, only to ~~\$4356.00~~ for the day. If a board member is eligible for only breakfast and lunch, the board member can be reimbursed actual expenses, up to ~~\$2027~~ for those two meals.

- (3) If a meal (such as lunch) is catered, the amount of this meal is included as a part of the ~~\$4356~~ per day maximum.

- (4) Receipts for meals are required per Executive Order #13 signed May 26, 2009. See Procedure 210.102 for more details.

**b. -Lodging.** Maximum reimbursable amount is \$98.00 per day, or the maximum amount allowed by the DAS-SAE, if higher plus tax, anywhere in the state.

c. Reimbursement for travel expenses must be submitted within 30 days of completion of travel to the Finance department.

d. Except for the reimbursable rates mentioned above, the same rules that apply to ILA employees, as outlined in (1) and (2) of this procedure also apply to board and commission members.

### 3. Other Expenses

Except for those differences mentioned above, all other travel policies that apply to regular ILA employees also apply to board, commission, and advisory council members. See specific sections of the Accounting Policy and Procedures Manual for more details.

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<b>Section</b> Pre-Audit	<b>Procedure No.</b> 210.305	<b>Page No.</b> 1 of 4	<b>Effective Date</b> <del>June 20, 2018</del> <u>January 21, 2019</u>
<b>Subject</b> Travel—Out-of-State—Subsistence Allowance			

1. The phrase “Subsistence Allowance” used herein shall be construed to include all charges (including applicable taxes) for meals and lodging (single rates only).
2. Officers, employees, and board members and any others traveling on behalf of the ILA with an overnight stay shall be allowed lodging and meal expense when required to travel outside the state with the appropriate approvals. They are reimbursed within the following guidelines:
  - a. **Lodging.** Lodging is not limited outside the state (see procedure 210.330 for exceptions), but the incurred expenditures are to be reasonable and within the amount of the travel approved on the Travel Department Authorization (TDA) document.
    - (1) ORIGINAL RECEIPTS for lodging must accompany the claim in order to receive reimbursement. A credit card slip is not allowable as an original lodging receipt. Lodging receipts consist of itemized billing obtained from the overnight lodging facility and contain such information as the date(s) of the stay, room number, number of occupants, name of lodging facility, name of guest, location of lodging facility, charge per night, and additional pertinent information which may be used to verify other sections of the travel payment. A lodging facility “statement” is not an invoice and is not acceptable. A cash register tape is also not acceptable, as it does not contain the required information. Express/Rapid check out receipts must also be itemized. The receipt may not necessarily show a zero balance, but must show the method of payment used (e.g. MC/AM/Visa, cash, etc.).
    - (2) Reimbursement for lodging expense is limited to the night preceding, the nights during, and the night of the ending date of the convention or meeting.
    - (3) When employees room together, the cost of the room should be split between the employees equally. If only one receipt is provided, the original receipt should be attached to one travel payment, copies of the receipt should be attached to the other employees’ travel payments, and the claims must be adequately cross-referenced and submitted together. If separate receipts are issued, no cross-referencing is necessary.
    - (4) When an employee works at one location for a week or more, the weekly or monthly rate of the facility should be reported.
    - (5) When seeking overnight lodging, employees must request “state,” “government,” “commercial,” or “conference” rates as many facilities offer discounted rates, which an ILA employee can and should obtain.

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<b>Section</b> Pre-Audit	<b>Procedure No.</b> 210.305	<b>Page No.</b> 2 of 4	<b>Effective Date</b> <del>June 20, 2018</del> <u>January 21, 2019</u>
<b>Subject</b> Travel—Out-of-State—Subsistence Allowance			

- b. **Meals.** The ILA has established reasonable maximum meal reimbursements. The reimbursement rate will increase automatically to a higher rate if the Department of Administrative Services raises its rates for state employees. The allowance for meals shall be actual expenses, not to exceed the following limitations.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Level 4</u>
Breakfast	<del>\$78.00</del>	<del>\$78.00</del>	<del>\$810.00</del>	<del>\$912.00</del>
Lunch	<del>\$810.00</del>	<del>\$911.00</del>	<del>\$1012.00</del>	<del>\$1115.00</del>
Dinner	<del>\$1619.00</del>	<del>\$2125.00</del>	<del>\$2529.00</del>	<del>\$3038.00</del>
	<del>\$3137.00</del>	<del>\$3744.00</del>	<del>\$4351.00</del>	<del>\$5065.00</del>

- (1) Reimbursement for meals is based upon departure and return times.
  - (2) The actual amount spent for the meal(s) must be reported on the employee's travel payment for reimbursement, even though the amount allowed will be the lesser of actual or the maximum.
  - (3) Employees are not eligible for reimbursement of a meal if the meal is provided by an outside source (i.e., meals provided in the conference registration, or purchased by other outside sources, etc.). However, employees are eligible for a meal reimbursement even if the meal was provided on the airplane as part of the cost of the airfare.
- When the employee is not eligible for a meal, this must be noted on the travel payment. When this occurs, the maximum for the day becomes the allowable total of the other meals for which the employee is eligible on that particular day. (See procedure 280.201 for an example.)
- (4) When the employee is eligible for more than one daily meal, the actual expense can be distributed between those eligible meals, and the amount allowed will be the lesser of actual or maximum applicable to the combined cost of the eligible meals. If a meal is provided by an outside source, the employee is not eligible for that meal and the maximum reimbursable amount is the combined total of only the eligible meals.

**EXAMPLE:** An employee is attending a two-day conference in Miami, FL (Level 4). The first day, lunch and dinner are provided as part of the registration fee. The employee is eligible for reimbursement for breakfast only. Therefore he/she is eligible for the lesser of the actual cost of breakfast or the maximum

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allowed (\$~~9~~12.00 in this case).

- (5) If an ~~allowable~~eligible meal is ~~part of~~offered at the conference, but is not included in the registration fee, the actual amount of the meal should be listed on the travel payment. ~~To determine if reimbursement for the meal is allowable. See Procedures 240.150 or 240.171.~~ Documentation that supports this meal must be attached to the travel payment. As in (3) above, the meal is then deducted from the allowable reimbursable total of the other meals claimed.

~~EXAMPLE: Employee attends a conference in Kansas City, MO (Level 3). Cost of an allowable lunch, which is not included in the registration fee is \$11.50 (\$1.50 more than the maximum allowed). The employee should list the \$11.50 on the travel payment for lunch that day.~~

~~Documentation supporting the \$11.50 lunch must be included with the travel payment. In addition to reimbursement for his meal, the employee is also eligible for reimbursement of the lesser of actual or \$33.00 (the maximum allowed for reimbursement for a level 3 city breakfast and dinner), provided the employee was eligible to receive reimbursement for 3 meals that day.~~

- (6) A tip of no more than 15% per meal, before tax, is allowable, ~~and is allowable only~~ up to the maximum allowed amount for reimbursement.

~~EXAMPLE #1: Employee is eligible for dinner while attending a conference in Toledo, OH (Level 2). The actual cost of dinner was \$18.57 before tax, plus \$2.00/tax. The employee left a 15% tip which amounted to \$2.79. The employee may claim reimbursement of \$21.00~~23.36, which is the lesser of the maximum allowed (\$~~24~~5) and the actual spent, including tip (\$~~24~~3.36).

~~EXAMPLE #2: Employee is eligible for lunch while performing her normal job duties in Baltimore, MD (Level 4). The actual cost of the lunch was \$4.67. The employee left a 15% tip which amounted to \$.70. The employee may claim reimbursement of \$5.37, which is the lesser of the maximum allowed (\$11.00) and the actual spent, including tip (\$5.37).~~

- (7) Charges for room service are an allowable reimbursable expense as long as the total of meals, including the room service charge, is within the maximum allowable limits.
- (8) Alcoholic beverages are NOT an allowable reimbursable expense and are not an

## Iowa Lottery Authority—Financial Management

<b>Section</b> Pre-Audit	<b>Procedure No.</b> 210.305	<b>Page No.</b> 4 of 4	<b>Effective Date</b> <del>June 20, 2018</del> January 21, 2019
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allowable use of ILA monies.

- (9) Meals included on lodging receipts will be compared to the travel payment.
  - (10) When traveling out-of-state and there is no overnight lodging, the meals are taxable and therefore are not eligible for reimbursement without the approval of the ~~Vice President and~~ CEO, or designee. (see procedure 210.109 for the definition of travel status).
  - (11) Exceptions to the above limitations may be requested in writing. Requests should be directed to the CEO, or designee.
  - (12) Receipts for meals are required per Executive Order #13 See Procedure 210.102 for more details.
3. Reimbursement for lodging and meals preceding and following a meeting, as outlined above, generally are adequate for going to or returning from any point in the continental United States. However, when scheduling problems necessitate additional meals or lodging away from the domicile, these exceptions must be noted on the claim.
  4. In certain instances, it is less expensive to leave earlier or return later than what would be required to attend the conference, meeting, etc. In these situations, reimbursement of expenses is allowable up to the lesser of the actual or the cost to the ILA had the employee left when necessary to attend ~~to attend~~ the conference, meeting, etc. A cost comparison must accompany the travel claim that is submitted for reimbursement.
  5. When traveling within 50 miles of the border of Iowa, in-state subsistence rates apply. See procedure 210.330 for additional information.
  6. If it is deemed to be in ILA's best interest, an employee may purchase travel insurance with the approval of the CEO or his/her designee. A Request for Exception to State Wide Policy form shall be completed and signed by the CEO or his/her designee prior to the purchase of the travel insurance. In addition, the travel insurance policy shall be purchased separately from the travel arrangements and should be purchased the same day, after all travel costs (hotel, airfare, etc.) are known and/or can be reasonably estimated. This also applies to International travel. Out of state travel insurance should be coded to object 2129 (Misc Travel Exp Out of State) and International travel insurance to 2169 (Misc Exp – International Travel).



## Iowa Lottery Authority—Financial Management

Section	Procedure No.	Page No.	Effective Date
Pre-Audit	220.100	1 of 17	<del>July 1, 2009</del> January 01, 2019
<b>Subject</b> Employee Expenses—Relocation Reimbursement			

**IMPORTANT NOTICE:** *Employees must receive the information contained within this policy as soon in the process as possible. Failure to do so may result in long delays or rejection of claims during the reimbursement portion of the process.*

### 1. GENERAL POLICY

ILA employees who are reassigned at the direction of the CEO shall be reimbursed for relocation and related expenses in accordance with this policy, with a maximum amount of expense to ILA of \$50,000. To the extent that relocation reimbursement is addressed in a collective bargaining agreement, the provisions of the agreement shall govern. If approved by the ILA, an individual newly hired or promoted may be reimbursed for relocation and related expenses at the same rate used for the reimbursement of a current employee who has been reassigned. The CEO shall have the discretion to decide the extent to which reimbursement is provided to newly hired employees as well as to promoted employees. Eligibility for reimbursement shall occur when all of the following conditions exist:

- The move is for the primary benefit of the ILA;
- A permanent change in duty station is required; and
- The individual must change his or her place of personal residence beyond 25 miles. (For a move of less than 25 miles, no relocation expenses reimbursement will be allowed unless the CEO has given prior written approval.)

An employee may elect to relocate temporarily and remain eligible to relocate permanently at any time thereafter for a period of up to twelve months from the day before the employee is to report to the new duty station. Temporary living expenses requested for reimbursement during such a ‘temporary relocation’ shall be included as part of the total amount reimbursable under this policy (up to 90 calendar days). Claims for reimbursement of temporary living expenses shall be filed on the Temporary Living Expense claim (TP (RELO-SUB)) form. One member of the employee’s immediate household may be eligible for limited temporary living expenses (see “Subsistence expenses” in section 4(c) of this policy for details).

Reimbursement of relocation expenses will not occur prior to the time the employee is officially on the payroll or the time the employee has an official change in duty station, and will be made on the basis of the ILA rules and policies in effect at that time. However, approval to incur expenses and to submit claims for reimbursement may occur before the employee has been officially reassigned or placed on the payroll. Claims for reimbursement of relocation expenses shall be filed on the Relocation Expense claim form (TP (RELO-EXP)) [see example at end of policy](#). Unless otherwise provided in this policy, reimbursement amounts for meals, lodging and personal vehicle mileage will be the same as for an ILA employee on ILA business.

Disputes with regard to the application and interpretation of this policy, as well as exceptions to this policy, shall be submitted to and resolved by the CEO or designee. The resolution shall be put in writing and copies sent to the ILA Finance Department and the employee.



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<b>Subject</b> Employee Expenses—Relocation Reimbursement			

### 2. DEFINITIONS

**Amortization** - A payment plan, which enables the borrower to reduce his or her debt gradually through monthly payments of the principal.

**Appraisal Fee** - A fee charged by an appraiser for an appraisal report. If the lender secures the appraisal, the fee is usually paid to the lender.

**Assumption Fee** - A fee charged by a lender to compensate for administrative costs related to an assumption of a pre-existing mortgage

**Binding, Not to Exceed Bid** - A bid that is guaranteed not to exceed a certain dollar amount.

**Bridge Loan** - A loan, from a financial institution, to cover the short interval between buying a house and selling another.

**Credit Report** - A report required by a lender on the credit standing of a prospective borrower.

**Duty Station** - A geographic location where an employee is officially assigned to work.

**Escrow Agent's Fee** - A fee charged by an escrow agent to establish an escrow account.

**Former residence** - A personal place of residence owned or rented by the employee immediately preceding the move.

**Household Goods** - Personal property that belongs to the employee or the employee's immediate household members and that is related to occupying, maintaining or caring for a home. Household goods include yard items such as utility sheds and play sets that are reasonably movable as well as recreational equipment and vehicles.

**Immediate Household** - Individuals who are members of or reside in the employee's household.

**Lender Application Fees or Loan Origination Fee** - A fee charged by a lender which is in essence a "service charge" to compensate for the lenders administrative and loan preparation costs. The fee is usually expressed in points (a flat percentage of the loan amount).

**Market Value Differential** - The difference between the actual sale price obtained for the former principal residence and its estimated market value based on independent appraisals.

**Mobile Home** - A mobile dwelling constructed for use as a residence and designed to be moved. Includes components attached to or a part of the home.

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**Mortgage** - A lien or claim given by a buyer to a lender to secure advances on, or the unpaid purchase price of, real property. Includes contracts for the purchase of real property.

**Mortgage Interest Differential** - An amount that would be required to reduce the amount of a new mortgage (with a higher interest rate than the old mortgage) to an amount that could be amortized at the same monthly payment (principal and interest) as the old mortgage.

**Mortgage Prepayment Penalty** - A fee charged by the lender when a borrower pays off an existing mortgage prior to its expiration.

**Promotion** - The acceptance by a non-temporary employee of an offer by an appointing authority to move to a position in a class with a higher pay grade that may involve movement between positions covered by merit system provisions and positions not covered by merit system provisions.

**Realtor Commission** - A fee charged by the agent for the sale of real estate property; usually a percent of the property's sale price.

**Reassignment** - The movement of an employee and the position the employee occupies within the same organizational unit or to another organizational unit at the discretion of the appointing authority. A reassignment may include a change in duties, work location, days of work or hours of work, and may be temporary or permanent. A reassignment may result in a change from the employee's previous job classification.

**Residence** - An employee's place of permanent residence.

The employee may have only one (1) residence from which the move is being made. A mobile home may be considered a principal residence. Additional homes or real property owned or rented by the employee are not covered for the purposes of this policy, unless it is "temporary housing", (see page 1). However, with prior approval, household goods from other locations may also be moved (e.g., items in storage or situations where the employee or a member of the employee's immediate family occupies a dormitory room).

A residence owned by the employee means a residence owned in whole or in part by the employee or spouse.

If the former residence is part of a multiple-family or multiple-purpose property owned by the employee, incidental moving expenses incurred for the selling the property will be prorated to include only that part of the expenses applicable to the employee's actual residence.

**Severance Agreement** - A written agreement between the employer and employee stipulating salary and benefits to be paid upon separation.

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**Stop-Over or Pick-Up Charges** - A fee charged by the moving company when the goods to be moved must be picked up from more than one location, or when a temporary delay in delivery to the new location is necessary (may also be called in-transit temporary storage).

**Title and Recording Fees** - Fees charged by a county to record a sale of real property and establish ownership of real estate property.

**Transfer Tax** - A state revenue stamp, documentary stamp or other tax required on the transfer of real property. The amount is based on the actual sale price of the real property.

### 3. MAKING ARRANGEMENTS

In all situations, the employee is responsible for making relocation arrangements, but must first have the approval of the CEO before finalizing the arrangements. Neither the ILA nor the State of Iowa shall be responsible for loss or damage to an employee's personal property.

An employee who is approved for reimbursement of relocation expenses shall obtain **original or fax copies of** "binding, not to exceed" written bids from at least two (2) licensed carriers that have operating authority to serve the area from which the employee is moving. (See Moving Company Bid Sheet, ~~page 19 at end of policy~~). Verification of operating authority may be obtained from the Iowa Department of Transportation at (515) 237-3224. The bid with the lowest dollar amount will be the bid accepted. The employee may, however, make an alternate selection, but the amount that will be reimbursed shall not exceed the dollar amount of the lowest bid, and the employee must receive prior approval from the CEO before contracting with or utilizing an alternate carrier.

An employee approved for reimbursement of relocation expenses who is moving his or her *mobile home* shall obtain at least two (2) "binding, not to exceed" written bids on the cost of moving the mobile home and the disassembly and re-assembly of any components. The bid with the lowest dollar amount will be the bid accepted. The employee may, however, make an alternate selection, but the amount that will be reimbursed shall not exceed the dollar amount of the lowest bid, and the employee must receive prior approval from the CEO before contracting with or utilizing an alternate transporter and installer.

After the relocation is complete, the employee will furnish ILA with the proper documentation needed to prepare and process the claim for payment.

In case the employee wishes to pay the carrier, transporter, or installer immediately after the move or is required to do so, the employee may claim reimbursement from the ILA ~~by using the Relocation Expense Claim form (TP (RELO-EXP)), (see page 18) and be reimbursed through payroll as taxable income~~. All supporting documents that are required by the ILA (original invoice) must be furnished by the carrier, transporter, or installer to the employee, who must attach them to his or her claim. The invoice must be marked clearly and signed by the mover "Paid in Full."

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Employees who wish to move themselves shall not be reimbursed an amount that exceeds the lowest bid for the move. The expense reimbursement voucher must be accompanied by the two carrier bids and any applicable receipts. Neither the employee nor family members will be reimbursed for time spent assisting with or doing their own move.

#### 4. EXPENSES THAT ARE REIMBURSABLE

*The following expenses are eligible for full reimbursement not to exceed the maximum expense approved in #1.*

##### a. Household goods

###### 1. Movement of household goods by a moving company

- Moving interior and exterior household goods from the former principal residence to the new principal residence.
- Insurance for the full (no deductible) replacement value protection of all household goods. The cost of insurance must be clearly spelled out in the movers' bids. ~~A third bid for insurance must only be obtained and accepted if less costly than the mover's insurance charge.~~
- Cost of packing and unpacking household goods.
- Cost of disassembly and re-assembly of household goods.
- Stop-over and pick-up charges. This also includes expenses of moving household goods into storage and removing household goods from storage.
- Storage charges on household goods for up to 90 days.
- Payments to the carrier, transporter, or installer for moving expenses may be paid directly by the ILA, or the employee may pay the carrier, transporter, or installer directly and request reimbursement from the ILA. In either case, the following documentation will be required:
  - Originals or faxed copies of two (2) signed moving company bid sheets from licensed carriers, transporters, or installers; and
  - Original invoice or bill of lading furnished by the carrier, transporter, or installer; and
  - Invoice marked "Paid in Full" and signed by the carrier, transporter, or installer (if paid directly by the employee); and
  - Completed relocation expenses claim forms.

###### 2. Self-move of household goods

- Mileage reimbursement at the ILA rate for using a motor vehicle. More than one trip may be reimbursed between the former principal residence and the new principal residence, as necessary.

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- Trailer and trailer hitch rental. *Note:* Some vehicles cannot accommodate the temporary installation of a trailer hitch and will necessitate the purchase and permanent installation of a trailer hitch. Reimbursement will be allowed when this is necessary.
- Truck rental plus reimbursement for the cost of fuel for the truck. More than one trip may be reimbursed between the former principal residence and the new principal residence, as necessary. Original receipts for fuel must be accompanied by documentation showing origin, destination and miles driven.
- Trip insurance for full (no deductible) replacement value protection for the time period of the move.
- Rental of equipment to disassemble or reassemble household goods.
- Day labor (maximum of \$12 per hour) hired to assist with the self-move (the employee and members of the immediate household are not eligible for this reimbursement). A hand written receipt dated and signed by the person receiving payment showing the hours worked and the amount paid must accompany the request for reimbursement.

### 3. *Movement of a mobile home*

- Preparation of the mobile home for the move.
- Moving the mobile home including, as necessary, the cost of disassembly and re-assembly of any components attached to or a part of the mobile home.
- Set-up including tie-downs, shirting, leveling pads and concrete blocks.
- Insurance for full (no deductible) replacement value protection of the mobile home. *Note:* If not moved, the mobile home will be considered a principal residence and expenses related to its sale will be reimbursed accordingly.

### **b. Real Estate commission.**

- Real Estate agent commission on the sale of the employee's former principle residence.
- The claim for reimbursement shall include one copy of the real estate closing statement showing the sale price of the residence and the realtor's commission fees.

### **c. Subsistence expenses (temporary living expenses)**

- Subsistence expenses are defined, for this purpose, as breakfast, lunch, dinner, lodging, and up to ten minutes of long distance or cellular phone calls to the former principal residence each day.
- Subsistence expenses will start on the day prior to the day the employee is to

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report to the new duty station and end on the day after the employee's household goods are delivered to the employee's new principal residence or at the end of 90 calendar days, whichever comes first.

- The 90 calendar days shall be consecutive unless the employee must be absent on state business from the new duty station for more than five consecutive work days, in which case those days will not be counted toward the 90 calendar day time frame.
- Subsistence reimbursement for meals and lodging will be up to the current rate for employee in-state travel as established in the ILA Accounting Policies and Procedures Manual. Receipts for meals, travel and other allowable costs are required per Executive Order Number 13 signed on May 26, 2009. (See procedure 210.102). One member of the employee's immediate household, if living with the employee, is also eligible to receive up to the same amount per day for meals, but not lodging, for a maximum of 90 calendar days. Both 90-calendar day periods will run concurrently. This reimbursement is in addition to "expenses during move of household goods". Lodging may include month to month apartment rental and related utilities in lieu of a motel, in which case unrefunded unreturned deposits may be claimed for reimbursement. "Related" utilities are those items that would be included in the cost of a motel and are defined, for this purpose, as gas, electricity, basic telephone, basic cable television and water. Claims for reimbursement of subsistence expenses shall be filed on the Temporary Living Expense Claim form (TP (RELO-SUB)) (Attachment 1, pg 24 see example at end of policy).
- In lieu of or in combination with subsistence expenses, an employee may be reimbursed for mileage and meals at the daily in-state rate to commute between the new duty station and the employee's former principal residence. Daily reimbursement for commuting will not, however, exceed the daily subsistence expense maximums that would be allowed if the employee remained at the new duty station location.

### d. Income tax assistance

- Employees must pay taxes on the prior calendar year's taxable relocation expenses. At the discretion of ILA, income tax assistance payments of up to 35% for reimbursement of taxable relocation expenses will be included each time a claim is paid. **Important:** Employees will not receive any further compensation for taxable relocation expenses at the end of the calendar year.

**THE FOLLOWING INCIDENTAL EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT UP TO AN AGGREGATE TOTAL OF \$5,000:**

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### **INCIDENTAL EXPENSES.**

#### *1. Marketing expenses to sell the residence without a realtor*

- Expenses associated with marketing the former principal residence for sale without using the services of a realtor are reimbursable in lieu of the realtor commission. All other expenses associated with the sale are subject to and covered by the \$5,000 limit.

#### *2. Costs associated with the sale or purchase of a residence*

- To be eligible for reimbursement under this category, the employee must own his/her principle residence at the time of hire or reassignment. (Complete the Statement of Ownership of Principal Residence form – see example at end of policy)
- This category includes necessary and reasonable costs incurred by the employee incidental to the purchase of a new principal residence and customarily paid by the buyer, and incidental to the sale of a former principal residence and customarily paid by the seller.
- The following costs associated with the **sale** of a principal residence are reimbursable under this policy:
  - Items payable in connection with a loan:
    - ✓ Veterans Administration Funding Fee
    - ✓ Mortgage Release/Prepayment Penalty
    - ✓ Postage Fee
    - ✓ Wire Transfer Fee
  - Title charges:
    - ✓ Administrative Compliance Fee
    - ✓ Settlement Fee
    - ✓ Abstract or Title Search
    - ✓ Document Preparation
    - ✓ Notary Fee
    - ✓ Attorney Fee
    - ✓ Deed Preparation
    - ✓ Abstract Continuation
  - Government recording and transfer charges:
    - ✓ Mortgage Release Fee
    - ✓ Deed or Tax Stamps
  - Inspection Fees if required by state law:
    - ✓ Electrical/Plumbing Inspection
    - ✓ Pest Inspection
    - ✓ Radon Inspection
    - ✓ Structural Inspection



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- ✓ Termite Inspection
  - The following costs associated with the ***purchase*** of a principal residence are reimbursable under this policy:
    - Items payable in connection with obtaining a loan:
      - ✓ Loan Origination Fee
      - ✓ Appraisal Fee
      - ✓ Credit Report
      - ✓ Processing Fee
      - ✓ Postage Fee
      - ✓ Closing Fee
      - ✓ Prepaid Loan Fee
      - ✓ Loan Assumption Fee
      - ✓ Commitment Fee
      - ✓ Escrow Agent Fee
      - ✓ Underwriter's Fee
      - ✓ Wire Transfer Fee
    - Title charges:
      - ✓ Administrative Compliance Fee
      - ✓ Abstract or Title Search
      - ✓ Document Preparation
      - ✓ Flood Certification Fee
      - ✓ Title Examination
      - ✓ Notary Fee
      - ✓ Attorney Fee
      - ✓ Plat Drafting
      - ✓ Plat Drawing/Survey
      - ✓ Title insurance
      - ✓ Survey Charges
    - Government recording and transfer charges:
      - ✓ Deed Recording Fee
    - Inspection fees:
      - ✓ Radon Inspection
      - ✓ Structural Inspection
      - ✓ Electrical/Plumbing Inspection
3. *Utility disconnect and connect charges*
- Utility connect charges do not include refundable utility deposits or refundable utility cooperative memberships.
4. *Residence disposal and location expenses*



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- Transportation for up to two round trips between the former principal residence and the new principal residence (reimbursable at the current ILA rate if a personal automobile is used or at the coach rate if travel is by air) for the employee and one household member. This includes travel to conduct business associated with the sale of the former principal residence.
- Actual meal and lodging expenses for up to five days and four nights for each of the trips mentioned in the paragraph above for the employee and one household member while visiting the new principal residence location.
- Automobile rental for up to five days plus reimbursement for the cost of fuel for each of the trips mentioned in the paragraph above.
- Long distance telephone or cellular phone calls and fax charges incidental to
- The sale or subletting of the former principal residence and/or the purchase or rental of the new principal residence.

### 5. *Expenses during move of household goods*

- Actual meals and lodging for the employee and each member of the immediate household for up to five days and four nights while household goods are in transit.
- At the time of the move, one-way mileage (at the ILA rate) for up to two vehicles, owned by the employee or a member of the employee's household, from the former principal residence to the new principal residence. Should the employee's household contain more than two licensed drivers, the number of vehicles for which mileage reimbursement may be claimed shall be equal to the number of licensed drivers. In lieu of driving automobiles from the former principal residence to the new principal residence, the employee and/or the employee's household members may choose an alternate means of transportation for reimbursement and have the vehicles moved by the moving company.

### 6. *Costs incurred in settling a lease, not to exceed 3 months' rent*

- This expense shall not be allowed if it is determined that the employee knew, or reasonably should have known, that a reassignment was imminent before entering into a lease agreement.

### 7. *Mortgage interest differential*

- Mortgage interest differential is calculated when the mortgage interest rate on the new principal residence exceeds the interest rate on the mortgage on the former principal residence.
- The reimbursement shall be the amount that would be required to reduce the new mortgage balance to an amount that could be amortized at the same

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monthly payment (principle and interest) as the old mortgage. If the new mortgage is less than the computed amount for a new mortgage, the differential will be prorated and reduced accordingly. The CFO will demonstrate to the employee upon request how the payment will be calculated. Use the Mortgage Interest Differential document for this calculation (see example at end of policy).

### 8. Market value differential

- Market value differential is the difference between the actual sale price obtained for the former principal residence and its estimated market value based on independent appraisals. If possible, obtain appraisals prior to placing the former principal residence on the market.
- The differential is used when the actual sale price is obtained for a residence is less than the estimated market value based on independent appraisals. The amount to be reimbursed shall not exceed 50% of the difference between the actual sale price obtained (following a good faith effort, including the use of a realtor, to market the property) and the average of two estimates of the market value prepared by two independent appraisers. The CFO will demonstrate to the employee upon request how the payment will be calculated. The amount of payment will be calculated using the Market Value Differential document (see example at end of policy).
- The employee shall select two appraisers who are licensed or certified by the state of residence. The employee must make payment to the appraisers and submit the invoice marked "Paid in Full" along with the appropriate expense reimbursement vouchers to the CEO Finance Department with all required documentation for reimbursement of these expenses.
- If the appraisers' opinions of market value differ by more than 5%, the appointing authority ILA will order a third appraisal. The market value estimate will then consist of the average of the three opinions.
- The cost of the appraisals and any market value differential payment shall be included in the maximum reimbursement allowable under this section.

### 5. Processing Relocation Expense Claims

- a) Travel claims for **all** relocation expenses are submitted to the ILA's Finance department. ~~The claims will include expenses that are not subject to withholding as well as expenses that are subject to withholding. Only expenses that are not subject to withholding will be paid on a Travel Payment for Relocation Expenses (TP-RELO-EXP)) form.~~
- b) **All** expenses to be paid to the employee for the relocation will be detailed and coded on the TP Corrective Document Expense (CDE), ~~but the accounting lines for the taxable expenses will need to have a line drawn through them on the TP, charged to object code 2575,~~ and paid through the payroll system. The Relocation Expenses Recap form details the expenses that will be paid through ~~ILA's finance department~~

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- ~~and which expenses will be paid through~~ the payroll system. (see example at end of policy)
- c) A ~~corrective e~~Correcting jJournal ~~v~~Voucher (JV1) or Corrective Document Expense (CDE) must be submitted through I/3 with the TP for the employee expenses. ~~when there are expenses that are taxable and paid through the payroll system.~~ This JV1/CDE decreases object code 2575 and increases the applicable object codes with the gross amount of each expense. The amount of the decrease on the JV1/CDE will equal the amount that ~~was~~was lined off on the TP and the amount paid through the payroll system. ~~All documents relating to the relocation submitted to the DAS—SAE Daily Processing must use the special Relocation cover sheet and have no approvals applied to the accounting system. The claim is pre-audited by the DAS—SAE Daily Processing. The Relocation Expenses Recap form is initialed by the DAS SAE Daily Processing and the pink copy is sent back to the originating department if there are expenses to be paid through the payroll system (the goldenrod copy is always returned for the department's records). A Pay Information (P-9) is prepared, see page 32, to include the amount that is subject to withholding in the employee's bi-weekly paycheck. The amount must be entered in the field entitled "MOVE/MILE SUBJ. TO W/H."~~
- d) All relocation documents are pre-audited by DAS-SAE
- e) The Relocation Expense document is initialed by DAS-SAE and emailed to the department and payroll group, confirming approval of the document by DAS-SAE.
- ~~e)f)~~ It is then the responsibility of the employee's department to prepare a P1 844 in HRIS, including the amount listed on the Relocation Expense Recap document, Section 2 and 3 which will be subject to withholding. The amount must be entered in the field entitled "MOVE PAY." The department may also need to prepare a P1 319 Imputed pay/deduct to record the amount in Section 1 on the Relocation Expense Recap document as taxable income to the employee and another P1 319 in the following pay period to zero the amount out.

For ~~the~~ purposes of payment through the ILA's ~~f~~Finance ~~division~~department, the required minimum documentation ~~needed (or referenced to) attached in I/3~~ is:

1. Original invoice or bill of lading furnished by the shipper.
2. Completed Travel Payment for Relocation Expenses. (TP (RELO-EXP))
3. Originals or fax copies of the Moving Company Bid Sheet from two or more authorized carriers.
4. Completed IRS Tests for Preparing Relocation Expense Claims.
5. Completed Relocation Expense Recap. – all 4 copies
6. Completed Corrective Journal Voucher (JV1) or Corrective Document Expense (CDE), if relocation includes expenses paid through the payroll system.
7. The official letter of hire or reassignment received by the relocating employee from ILA.

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8. Calculation of Mortgage Interest Differential, if applicable.
9. Calculation of Market Value Differential, if applicable.
10. Completed and Signed Agreement for Recouping Recruitment, Retention, Education and Relocation Payments.
11. Statement of ownership of principal residence.
12. All other receipts that are submitted for reimbursement.
- ~~13. A duplicate set of copies of all of the above.~~ All documents must be scanned and attached to the I3 document.

**NOTE:** The ILA's finance department must receive the original ~~and one~~ copy of all relocation reimbursement claim forms and any supporting documentation.

### 6. DAYS OFF WITH PAY

Employees may utilize up to a total of eighty hours of paid work time off for any combination of the following reasons:

- Locating a new principal residence.
- Closing on the sale or lease of the former principal residence.
- Closing on the purchase or lease of the new principal residence.
- Moving household goods from the former to the new principal residence.
- Related incidental activities.

### 7. EXPENSES NOT REIMBURSABLE

- Expenses reimbursed by the former employer as part of a severance agreement.
- The cost of transporting vehicles not included in "Expenses during move of household goods."
- The cost of or related to moving livestock.
- Any other items not specifically covered by this policy.
- Any reimbursable item in excess of the limits set in this policy.
- Refundable apartment and utility deposits.
- Cable, satellite or other TV, or radio installation or disconnection charges.
- Tax Service Fee

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### 8. REPAYMENT

As a condition of receiving reimbursement for moving expenses, the recipient must sign an agreement to continue employment with the ILA as determined by the CEO. A copy of the agreement shall accompany the reimbursement request forms.

### 9. PLANNING

Planning worksheets and guides are ~~available from the ILA's personnel assistant~~ at the end of this policy.

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<b>Subject</b> EMPLOYEE EXPENSES – RELOCATION REIMBURSEMENT POLICY			

Below are links to documents and worksheets that will assist you in your move.

## Relocation Expense Recap

Travel Payment for Relocation Expenses  
TP (RELO-SUB)

# Department of Administrative Services

## RELOCATION EXPENSE RECAP

Employee's Name \_\_\_\_\_ Doc No. \_\_\_\_\_  
 Vendor Cust No. \_\_\_\_\_ Doc Date \_\_\_\_\_

### Section 1 - For expenses paid through I/3

1. Key a P1 #819 - Imputed pay/deduction in HRIS to record this payment taxable to employee\*\*\*
- Transportation expense moving household goods to 3rd Party 2572

Section 1 Total\* \$ \_\_\_\_\_

### Section 2 - For Expenses Paid through Payroll

1. Key CDE in I/3
2. Key a P1 #844 - Move pay in HRIS
- Transportation expense moving household goods to employee 2571
- Travel (\_\_\_\_\_cents) & Lodging move old to new - to employee 2573

Section 2 Total\* \$ \_\_\_\_\_

### Section 3 - For Expenses paid through Payroll

1. Key CDE in I/3
2. Key a P1 #844 - Move pay in HRIS
- Transportation expense moving household goods to employee 2569
- Transportation expense moving household goods to 3rd Party 2590
- Mileage > \_\_\_\_\_ cents paid to employee move old to new residence 2575
- Travel & Lodging move old to new employee 2591
- Misc Expense moving from old to new - paid to employee 2583
- Pre-move travel & lodging paid to employee 2577
- Pre-move meal expense paid to employee 2585
- Temporary living - Not meals 2579
- Misc Expense - Temporary living expense 2587
- Expense of buying/selling a house 2580
- Real Estate Commission 2593
- Storage Charges - 30 Days 2588
- Other payments made to employee 2581
- Mortgage Interest Differential 2594
- Market Value Differential 2595
- Income Tax Assistance Payment 2596

Section 3 Total\* \$ \_\_\_\_\_

**Paid on Payroll - Sections 2 and 3 \$ \_\_\_\_\_**

1. Key P1 #844 - Move Pay, enter on P1 total reimbursement from Sections 2 & 3

**Total amount taxable to employee - Sections 1, 2 and 3 \$ \_\_\_\_\_**

\*Totals from Section 1 & 2 are only taxable to Federal and will flow to W2 fields: 1-Fed, 3-FICA, 5-FICA

\*\*Totals from Section 3 will flow to W2 fields: 1- Fed, 3-FICA, 5-FICA, and 16-State

\*\*\*Department will need to key a P1 #819 - Imputed pay/deduct to record the amount from section 1 as taxable income to the employee:

- On P1 #819, enter the amount of Section 1 on pages 1 and 2 of the P1 with the pay period to deduct - 4
- An additional P1 #819 will need to be keyed in the following pay period to zero out the amounts on pages 1 and 2 with a pay period to deduct = 0
- SAE will key a follow up P1 for the amount in Section 1 and 2 of this form

<small>FD-204 (Rev. 10-1-80)</small> <small>WARRANT FOR THE ARREST OF A FUGITIVE</small>		<b>STATE OF IOWA</b> <b>TRAVEL PAYMENT FOR</b> <b>RELOCATION EXPENSES</b>										<b>DOCUMENT NUMBER</b>  											
MAIL BETWEEN OLD AND NEW RESIDENCE		ALTERNATE ADDRESS (OPTIONAL) AND WHERE TO <small>RELOCATED, ADDRESS</small>												NEW TRAVEL ADDRESS									
MAIL AND HOME ADDRESS		ALTERNATE ADDRESS (OPTIONAL) AND WHERE TO <small>RELOCATED, ADDRESS</small>												NEW TRAVEL ADDRESS									
<b>PRE-MOVE EXPENSES (Looking for residence)</b>																							
NEW MAIL WARD	TIME REMAIN LEFT	A/P RETURNED	TRAVEL FROM	TO	MEALS RATE DAILY	CHARGE DAILY	B	L	D	TOT	SEEMS TOTAL	ACTUAL TOTAL	SEEMS TOTAL	ACTUAL TOTAL	AMOUNT								
																TRAVEL FROM TO		MEALS RATE DAILY		CHARGE DAILY		B	
<b>TOTAL</b>																							
<b>EXPENSES RELATED TO MOVING HOUSEHOLD GOODS:</b>																							
NEW MAIL WARD	TIME REMAIN LEFT	A/P RETURNED	TRAVEL FROM	TO	MEALS RATE DAILY	CHARGE DAILY	B	L	D	TOT	SEEMS TOTAL	ACTUAL TOTAL	SEEMS TOTAL	ACTUAL TOTAL	AMOUNT								
																TRAVEL FROM TO		MEALS RATE DAILY		CHARGE DAILY		B	
<b>TOTAL</b>																							
<b>QUALIFIED EXPENSES OF BUYING/SELLING EXISTING REAL ESTATE:</b>																							
2583 - Real Estate Commission												\$											
2580 -												\$											
2580 -												\$											
2580 -												\$											
<b>TO BE COMPLETED BY EMPLOYER</b>																							
<b>CLAIMANT'S CLAIM</b>				<b>CLAIMANT'S CLAIM</b>										<b>CLAIMANT'S CLAIM</b>									
CLAIM #				CLAIM #										CLAIM #									
PAID DATE				PAID DATE										PAID DATE									
MORTGAGE INTEREST DIFFERENTIAL (2584) (Attachment 4)				MORTGAGE INTEREST DIFFERENTIAL (2584) (Attachment 4)										MORTGAGE INTEREST DIFFERENTIAL (2584) (Attachment 4)									
MARKET VALUE DIFFERENTIAL (2595) (Attachment 5)				MARKET VALUE DIFFERENTIAL (2595) (Attachment 5)										MARKET VALUE DIFFERENTIAL (2595) (Attachment 5)									
RICE TAX ASSISTANCE PAYMENT (2596) (Attachment 6)				RICE TAX ASSISTANCE PAYMENT (2596) (Attachment 6)										RICE TAX ASSISTANCE PAYMENT (2596) (Attachment 6)									
<b>CLAIMANT'S CERTIFICATION</b>																							
I CERTIFY THAT THE ITEMS FOR WHICH PAYMENT/REIMBURSEMENT IS CLAIMED WERE PURCHASED FOR THE STATE BY ME UNDER THE AUTHORITY OF THE LAW AND THAT THE CLAIMANT AND EMPLOYER HAVE AGREED TO CORRECT AND PAY THE CLAIM AND BEING REIMBURSED OR PAID BY THE STATE, EXCEPT ADVANCES (2580), AND UNDERSTANDING THE POLICY OF THE STATE.																							
CORRECT AND REIMBURSED		YES <input type="checkbox"/> NO <input type="checkbox"/>		PAID BY THE STATE YES <input type="checkbox"/> NO <input type="checkbox"/>		YES <input type="checkbox"/> NO <input type="checkbox"/>		YES <input type="checkbox"/> NO <input type="checkbox"/>		YES <input type="checkbox"/> NO <input type="checkbox"/>		YES <input type="checkbox"/> NO <input type="checkbox"/>		YES <input type="checkbox"/> NO <input type="checkbox"/>									
STATE DEPARTMENT TO BE COMPLETED																							
<b>DEPARTMENT CERTIFICATION</b>																							
I CERTIFY THAT THE ABOVE EXPENSES WERE INCURRED AND THE AMOUNTS ARE CORRECT AND SHOULD BE PAID FROM THE FUNDS APPROPRIATED BY CODE OR CHAPTER SECTION(S)																							
TRAVEL APPROVAL (SUPERVISOR'S SIGNATURE)																							
CLAIMANT'S SIGNATURE																							
DATE																							
<b>DOCUMENT TOTAL</b>																							
<b>TP (RELO-EXP) WARRANT #</b>																							
<b>PAID DATE</b>																							

### Travel Payment for Relocation Subsistence TP (RELO-SUB)


[illegible]

# Iowa Lottery Authority—Financial Management

Section PRE-AUDIT	Procedure Number 220.100	Page Number 16 of 17	Effective Date January 1, 2019
<b>Subject</b> EMPLOYEE EXPENSES – RELOCATION REIMBURSEMENT POLICY			

Below are links to documents located on the Human Resources Enterprise website.  
These should be printed and submitted as required.

## [Moving Company Bid Sheet](#)



**STATE OF IOWA**  
Department of Administrative Services  
**Moving Company Bid Sheet**

DATE: \_\_\_\_\_

AGENCY NAME: \_\_\_\_\_

STATE EMPLOYEE'S NAME: \_\_\_\_\_

RELOCATE FROM: \_\_\_\_\_

RELOCATE TO: \_\_\_\_\_

LINE HAUL (TRANSPORTATION) COST BID: \_\_\_\_\_

PACKING COST BID: \_\_\_\_\_

MISCELLANEOUS COST BID: \_\_\_\_\_

TOTAL COST BID: \_\_\_\_\_

DATE RELOCATION IS TO BE COMPLETED BY: \_\_\_\_\_

NAME OF CARRIER: \_\_\_\_\_

ADDRESS OF CARRIER: \_\_\_\_\_


SIGNATURE OF CARRIER: \_\_\_\_\_

SIGNATURE OF STATE EMPLOYEE: \_\_\_\_\_

**NOTICE TO CARRIER:**  
This is a binding bid. The State of Iowa will pay the total amount of the bid only. If the State employee is required to pay the carrier direct, the amount shall not exceed this binding bid.

UP-N 552-0703 R 12/04

## [Calculation of Mortgage Interest Differential](#)



**STATE OF IOWA**  
Department of Administrative Services  
**Calculation of Mortgage Interest Differential**

This calculation computes the payment required to reduce a person's new mortgage to an amount that can be amortized at the same monthly payment for principal and interest over the same time period as the remaining term on the old mortgage. This payment is commonly known as the "buydown."

The remaining principal balance, the remaining term, the interest rate and the monthly principal and interest payments for the old mortgage, as well as the interest rate and amount of the new mortgage must be known. If the interest rate on the new mortgage exceeds the prevailing fixed interest rate for conventional mortgages, the prevailing fixed interest rate shall be used in the calculation.

OLD MORTGAGE:	Annual interest rate (round to 6 decimals)	# payments remaining	Monthly payment prin. & int.	Remaining principal balance on old mortgage (whole Dollars)
EXAMPLE	7.5%	174	\$472.20	\$50,000
ACTUAL	%		\$	\$

NEW MORTGAGE:	Annual interest rate (round to 6 decimals)	# payments remaining	Monthly payment prin. & int.	Amount to be financed on new mortgage (whole Dollars)
EXAMPLE	10%	174	\$472.20	\$43,252.21
ACTUAL	%		\$	\$


MORTGAGE INTEREST DIFFERENTIAL	Old Mortgage ("Remaining principal balance") minus New Mortgage ("Amount to be financed")	Remaining principal balance on old mortgage (whole Dollars)
EXAMPLE	\$50,000 - \$43,252.21	\$6,747.79
ACTUAL	\$	\$

**MORTGAGE INTEREST DIFFERENTIAL REDUCTION:**  
If the new mortgage is less than the "Amount to be financed," the mortgage interest differential shall be reduced by the factor of the new mortgage divided by the "Amount to be financed." For example, should the new mortgage be \$35,000, the following calculation would reduce the amount of the differential to be paid.

$$\frac{\$35,000 \times \$6,747.79}{\$43,252.21} = \$5,422.98$$

CFN 552-0703 R 12/04

## [Calculation of Market Value Differential](#)



**STATE OF IOWA**  
Department of Administrative Services  
**Calculation of Market Value Differential**

This calculation computes the payment for market value differential. The payment is made when the actual sale price obtained for the former residence is less than its estimated market value. The amount of payment is 50% of the difference between the actual sale price and the estimated market value.

Estimated market value is the average of two independent appraisals prepared by independent appraisers licensed in the state of residence. However, if the appraiser's opinions of market value differ by more than 5%, a third appraisal will be obtained. The market value estimate will then be the average of the three opinions.

	EXAMPLE	ACTUAL
Appraisal #1	\$110,000	\$
Appraisal #2		
Difference	\$10,000	\$
Percent Difference	$\frac{\$10,000}{\$100,000} \times 100 = 10\%$ (exceeds 5%)	%
Appraisal #3 (since % difference exceeds 5%)	\$103,000	\$
Estimated Market Value (average of appraisals)	\$104,333	\$
Actual Sale Price	\$97,000	\$
Market Value Differential (\$104,333 - \$97,000)	\$7,333	\$
Payment for Market Value Differential (\$7,333 X 50%)	\$3,666	\$


CFN 552-0704 R 12/04




# Iowa Lottery Authority—Financial Management

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	220.100	17 of 17	January 1, 2019
<b>Subject</b> EMPLOYEE EXPENSES – RELOCATION REIMBURSEMENT POLICY			


## Calculation of Income Tax Assistance Payment

	<b>State of Iowa</b> Department of Administrative Services <b>Calculation of Income Tax Assistance Payment</b>						
<small>Use this form to compute the income tax assistance payment of 35%. Tax assistance is a one time lump sum payment for reimbursement of the taxable relocation expense <u>each time a claim is paid</u>.</small>							
<b>To Be Completed By The Employer</b>							
Employee Name: _____							
Social Security No.: _____							
Department No.: _____							
Claim Date: _____							
Payroll No.: _____							
<table border="1"><tr><td>1. Taxable relocation reimbursement expenses</td><td>\$ _____</td></tr><tr><td>2. Multiply line one by 35%</td><td>X 35%</td></tr><tr><td>3. INCOME TAX ASSISTANCE PAYMENT</td><td>\$ _____</td></tr></table>		1. Taxable relocation reimbursement expenses	\$ _____	2. Multiply line one by 35%	X 35%	3. INCOME TAX ASSISTANCE PAYMENT	\$ _____
1. Taxable relocation reimbursement expenses	\$ _____						
2. Multiply line one by 35%	X 35%						
3. INCOME TAX ASSISTANCE PAYMENT	\$ _____						
Prepared by: _____ Department: _____							
Phone No.: _____ Date: _____							
CFN 552-0706 R 07/09							


## IRS Tests for Preparing Relocation Expense Claims

	<b>STATE OF IOWA</b> Department of Administrative Services <b>I.R.S. TESTS FOR PREPARING RELOCATION EXPENSE CLAIMS</b>
<b>DISTANCE TEST</b>	
Number of miles from <u>former residence</u> to <u>new place of work</u> : _____	
Number of miles from <u>former residence</u> to <u>old place of work</u> : _____	< _____ >
Net number of miles: _____	
<small>The net number of miles must be at least 50 to use <u>non-withholding</u> object codes. If the net number of miles is less than 50, the <u>withholding</u> object codes must be used because the relocation will be fully taxable. See the <b>RELOCATION EXPENSE RECAP</b> to determine which object codes to use.</small>	
<b>TIME TEST</b>	
Effective date of relocation: _____	
Date expenses occurred: _____	
<small>If the date the expenses were incurred is one year or less than the effective date or relocation, use the non-withholding object codes. If the date is more than one year, the withholding object codes must be used because the relocation will be fully taxable. See the <b>RELOCATION EXPENSE RECAP</b> to determine which object codes to use.</small>	
<b>EMPLOYMENT TEST</b>	
Is the move a condition of employment?	
YES <input type="checkbox"/>	NO <input type="checkbox"/>
<small>If the move is a condition of employment, use the non-withholding object codes. If the relocation is not a condition of employment, the withholding object codes must be used because the move will be fully taxable. See the <b>RELOCATION EXPENSE RECAP</b> to determine which object codes to use.</small>	
CFN 552-0706 R 12/04	

## Agreement for Recouping Relocation Payments

	<b>AGREEMENT FOR RECOUPING RELOCATION PAYMENTS</b>
As a condition of receiving relocation payments I, _____ (Insert Employee Name)	
agree to continue employment with the _____ (Insert Agency Name)	
(the Department) for _____ months. In the event that I am discharged or voluntarily leave employment with the Department prior to the expiration of the _____ month period for any reason, I will repay any relocation payment(s) made by the Department, prorated by dividing the amount received by the number of months (____), and then multiplied by the number of months remaining in the period I agreed to remain employed.	
If my employment is continued with the State, but in another department, the repayment will be subject to a repayment schedule approved by the director of the Department noted above.	
If I am no longer employed by the State, the repayment will be recouped from my final paycheck, and any remaining balance will be subject to a repayment schedule approved by my department director.	
I UNDERSTAND AND AGREE THAT NOTHING HEREIN SHALL BE CONSTRUED AS A CONTRACT OR PROMISE OF CONTINUED EMPLOYMENT, OR NEGATE, IF APPLICABLE, MY AT-WILL EMPLOYMENT STATUS.	
_____ (Employee Signature)	_____ (Department Director Signature)
_____ (Date)	_____ (Date)
CFN 552-0751 12/13	

## Statement of Ownership of Principal Residence

	<b>STATE OF IOWA</b> Department of Administrative Services <b>EXECUTIVE BRANCH</b> <b>RELOCATION REIMBURSEMENT POLICY – STATEMENT OF OWNERSHIP OF PRINCIPAL RESIDENCE</b>		
I, _____, understand, pursuant to the State of Iowa's Relocation Reimbursement Policy, that I must own my principal residence to be eligible for reimbursement of costs associated with the purchase of my new principal residence at the time of hire or reassignment.			
<b>Check (✓) one:</b>			
<input type="checkbox"/> I own my current principal residence.			
<input type="checkbox"/> I DO NOT own my current principal residence.			
If you <b>DO NOT</b> own your current principal residence, there are limited instances in which this requirement may be waived. Such a waiver may be granted only by the Department of Administrative Services – Human Resources Enterprise.			
<input type="checkbox"/> I WILL NOT request a waiver.			
<input type="checkbox"/> I WILL request a waiver. Please explain: _____ _____ _____			
No reimbursement for costs associated with the purchase of a new principal residence will be paid until this form has been received. Please return this form with your first claim for reimbursement.			
My <u>current</u> principal residence address is:			
_____ (Street)	_____ (City)	_____ (State)	_____ (Zip Code)
(continued on page 2)			
CFN 552-0668 R 12/04			



## Iowa Lottery Authority

Section	Procedure No.	Page No.	Effective Date
Pre-Audit	240.150	1 of 2	<del>July 31, 2017</del> <u>March 1, 2019</u>
<b>Subject</b> Miscellaneous—Prior Approvals—One-Time Approvals			

Prior approvals are necessary because they represent a deviation from normal ILA reimbursement policies and are used to alert all interested parties of the necessary exceptions to standard practices.

1. **Iowa Lottery Authority** – Prior approval is needed from the CEO or a designee for the following:
  - a. Exceptions for out-of-state subsistence allowance above state limits. See procedure 210.305.
  - b. Certain prepayment of expenses. See procedure 230.550 for when this is necessary. See procedure 240.171 for a sample request form.
  - ~~c. When providing physical examination for existing employees—unless employee is covered by a collective bargaining agreement. See procedure 220.300.~~
  - d. When establishing deposit accounts. See procedure 240.250.
  - e. When requesting the establishment of, or a change to, imprest petty cash funds. See procedure 240.300.
  - f. When requesting an exception to the standard procedure for advance payments on contracts (see procedure 230.550(2)(g)).
2. **Chief Executive Officer or Designee**- Prior approval is needed from the Chief Executive Officer or a designee and must be documented and signed on the form, “Request for Exception to ILA Policies” (see procedure 240.171), and attached to the claim. I/3 approval alone is not sufficient.
  - a. An approved Travel Department Authorization (TDA) for all/any out-of-state travel.
    - This approval is to be applied by the CEO per Iowa Code 8A.512A(2)(a).
  - b. In certain instances when expenses are incurred on behalf of any employee (including board members), and the ILA wants to reimburse the 3rd party directly. See procedure 210.115 for specifics. Also see procedure 240.171 for sample request form.
  - c. When lodging is required for an employee in their official domicile or residence, or when lodging is unavoidably needed in excess of the ILA limits, except as mentioned in procedure 210.205(2), (a), (3). See procedure 240.171 for sample request form.

## Iowa Lottery Authority

<b>Section</b> Pre-Audit	<b>Procedure No.</b> 240.150	<b>Page No.</b> 2 of 2	<b>Effective Date</b> <del>July 31, 2017</del> <u>March 1, 2019</u>
<b>Subject</b> Miscellaneous—Prior Approvals—One-Time Approvals			

d. Meals within official domicile or place of residence. See procedure 210.108.

e. Meals not associated with a conference and are unavoidably needed in excess of allowable limits.

~~f. When conference meals are unavoidably needed in excess of the maximum Reimbursable Conference Meal Rates. See procedure 240.171 for sample request form.~~

**3. Department of Administrative Services-Human Resources Enterprise – DAS-HRE** requires prior approval for the following:

a. When using private employment and placement agencies not on a state contract. See Procedure 230.350.

b. When requesting reimbursement for Educational Assistance Leave. See Procedure 220.150.

## Iowa Lottery Authority—Financial Management

<b>Section</b> Pre-Audit	<b>Procedure No.</b> 280.200	<b>Page No.</b> 1 of 1	<b>Effective Date</b> <del>June 5, 2017</del> <u>January 1, 2019</u>
<b>Subject</b>  ACCOUNTING TRANSACTIONS TRAVEL PAYMENT (TP) – ELECTRONIC SUBMISSION OF RECEIPTS			

### Electronic Submission of Actual Receipts

1. Travel receipts for meals, lodging and other allowable travel-related expenses may be in the form of electronic copies of the actual receipts provided by the vendor. Electronic receipts must be submitted in date order.
2. Internal policies and procedures will be written, as needed, for the electronic submission of a travel claim (TP). The policies and procedures will include the acceptable method for the electronic certification of the claimant and any other designated signatures.
3. A completed TP signed by the claimant, with receipts and supporting documentation, shall be attached (electronically) in I/3 to the vendor line of the document and approved with the appropriate ILA levels in I/3.
4. Actual paper receipts must be maintained by the Iowa Lottery Authority for a period of one fiscal year after the close of the fiscal year for which the expenses were reimbursed.

Example: For expenses reimbursed for FY 2017, actual paper receipts must be maintained by ILA until June 30, 2018.

5. Reimbursement for travel expenses must be submitted within 30 days of completion of travel to the Finance department.