



**AGENDA
HUSTON-GALVESTON AREA
COUNCIL
FINANCE AND BUDGET COMMITTEE
MEETING**

**March 18, 2025 9:00 AM
3555 Timmons Ln. Houston, TX 77027
Houston, Texas 77027**

1. CALL TO ORDER
2. PUBLIC COMMENT
3. DECLARE CONFLICT OF INTEREST

ACTION

4. CONSENT AGENDA

Items listed are of a routine nature and may be acted on in a single motion unless requested otherwise by a member of the Board.

- a. RENEWAL OF BUSINESS AND RESIDENTIAL DATA

Request approval to purchase Data Axle's business and residential databases in amount not to exceed \$57,000. (Staff Contact: Pramod Sambidi)

- b. TRAVEL POLICY

Request approval of the revised travel policy. (Staff Contact: Matt Handy)

5. FINANCE AND BUDGET COMMITTEE

- a. MONTHLY FINANCIAL REPORT - FEBRUARY 2025

Request approval of the monthly financial report ending February 28, 2025. (Staff Contact: Christina Ordonez-Campos)

- b. SPEND DOWN UPDATE

No action required. For information Only. (Staff Contact: Christina Ordonez-Campos)

- c. BANKING SERVICES CONTRACT

Request authorization to enter into a new contract with J. P. Morgan Chase. (Staff Contact: Gilda Mendoza)

6. AUDIT COMMITTEE

- a. 2024 INTERNAL AUDIT REPORT

Discussion and possible action on Audit committee recommendations related to the Internal Audit Annual Report Fiscal Year 2024. (Staff Contact: Charles Hill)

- b. INTERNAL AUDIT CHARTER REVISED 2025

Acceptance and approval of the revised Internal Audit Charter by the Board. (Staff Contact: Charles Hill)

7. REPORTS

- a. EXECUTIVE DIRECTOR'S REPORT

Report on current and upcoming H-GAC activities. (Staff Contact: Chuck Wemple)

8. ADJOURNMENT

In compliance with the Americans with Disabilities Act, H-GAC will provide for reasonable accommodations for persons attending H-GAC functions. Requests should be received by H-GAC 24 hours prior to the function.

RENEWAL OF BUSINESS AND RESIDENTIAL DATA

Background

H-GAC and members of Geographic Data Workgroup rely on business, and residential data for various mapping activities. For several years, H-GAC has relied on Data Axle (formerly Infogroup now rebranded as Data Axle) as the most reliable resource, in terms of location accuracy of business and address classifications. In addition, individual residential data has been a resource relied on by the Greater Harris County 9-1-1 Emergency Network and the Gulf Coast Regional 9-1-1 Emergency Communications District for address verifications.

Current Situation

On behalf of contributing members of Geographic Data Workgroup, H-GAC has negotiated to renew the license agreement of Data Axle's 2025 Business and Residential database. The renewed license agreement would allow H-GAC and contributing members of Geographic Data Workgroup to obtain the Data Axle 2025 Business and Residential database containing approximately 1,014,781 business records and 8,863,823 residential records, as well as continue to use past year's licensed databases. Cost of the annual renewal would be \$57,000, borne collectively through elective cost-sharing contributions which have already been committed. The current license agreement expires March 21, 2025.

Funding Source

Funds committed by participating cost-share organizations

Budgeted

Yes

Action Requested

Request approval to purchase Data Axle's business and residential databases in amount not to exceed \$57,000. (Staff Contact: Pramod Sambidi)

TRAVEL POLICY

Background

H-GAC's travel policy has been updated to reflect updates in any applicable IRS, 2 CFR 200 & GSA regulations and industry best practices.

Current Situation

The following items are a summary of the sections that were added or changed within the policy:

1. Mileage starting points
2. Business meals
3. Temporary staff
4. Non-reimbursable items – e.g. cleaning fees
5. Hotel overage form/process
6. Travel arrangements request form
7. Travel card penalties
8. Itemized receipts

Funding Source

Not Applicable

Budgeted

Not Applicable

Action Requested

Request approval of the revised travel policy. (Staff Contact: Matt Handy)

ATTACHMENTS:

	Description	Type
	H-GAC Travel Policy	Cover Memo

H-GAC TRAVEL POLICIES

Revised February 2025

HOUSTON-GALVESTON AREA COUNCIL

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I. OVERVIEW

From time to time, the agency may require H-GAC employees to travel away from an employee's normally scheduled place of work to conduct agency business, including off-site meals and meetings. The agency has written the 'H-GAC Travel Policies' as guidance for employees who travel and incur expenses on behalf of the agency, as well as supervisors and department directors who are responsible for approving those expenses.

H-GAC reserves the right to change, correct, and update these policies as needed. The agency will exercise good faith in giving employees reasonable advance notice of any such changes, corrections, and updates; however, there may be occasions when providing such notice is not feasible. An employee who violates any of the rules referenced in these travel policies or is insubordination of agency policies. A supervisor or department director who knowingly, or should know, an employee reporting to him or her is violating these travel policies is also insubordination of agency policies.

These policies are also applicable to the H-GAC Board of Directors, committee members, and third-party individuals who have received special preapproval from the H-GAC Executive Director, to travel to conduct official H-GAC business.

The words 'agency' and 'H-GAC' are used interchangeably in these policies.

A. GENERAL TRAVEL REQUIREMENTS

An agency employee may be reimbursed for a travel expense only if the purpose of the travel clearly involves official agency business, is consistent with the agency's legal authority, and is in alignment with 'H-GAC Travel Policies' and other rules and guidance referenced herein. All agency travel and incurred expenses submitted for reimbursement must have been preapproved by employee's direct supervisor, and the H-GAC Executive Director as applicable.

B. CONSERVATION OF FUNDS

Employees must minimize the amount of travel expenses reimbursed by ensuring that each travel arrangement is the most cost-effective considering all relevant circumstances.

Employees must utilize teleconferencing and other telecommunication technologies to the maximum extent possible to reduce the agency travel expenditures.

Travel must be planned well in advance to achieve maximum economy and efficiency (i.e., the most economical form of transportation over the shortest practical route).

C. AGENCY AND EMPLOYEE OBLIGATIONS TO ACT AS GOOD STEWARDS OF THE AGENCY FUNDS AND PROGRAM FUNDING

Employees are acting as fiscal agents of H-GAC when incurring travel expenses on behalf of the agency. As such, employees are obligated to act as good stewards of agency funds and program funding.

Employees may not take advantage of agency travel and reimbursements at the financial detriment of the agency.

D. APPLICABLE RULES, LAWS, AND OTHER GUIDELINES

It is the responsibility of every employee to familiarize themselves with H-GAC's travel policies and other applicable rules, laws, and guidelines as described below prior to traveling and incurring expenses. Ignorance of these policies will not be treated as exceptions to allow the reimbursements. In the event that any policy, guidance, or law is in conflict deference will be given in the following order:

- The most stringent policy, unless a federal or state law prohibits such policy;
- Federal law;
- State law;
- H-GAC policy.

An employee's failure to read and adhere to the H-GAC travel policies and any applicable rules, laws, and guidelines described in this section risk:

- A delay in the employee's reimbursement;
- A denial of a reimbursement;
- A performance of employee insubordination;
- An indirect breach of contract with a partner, government, agency, grant, or program; or,
- A violation of a law(s).

1. Texas Comptroller of Public Accounts

H-GAC is a regional planning commission created under and governed by Chapter 391 of the Texas Local Government Code and as described in section 391.003 (c), it is a political subdivision of the State of Texas. Section 391.0115 requires that H-GAC follows state policies on mileage reimbursement, per diem and lodging reimbursement rates.

a. Mileage Rates

H-GAC has adopted the mileage rates for personal vehicles established and updated annually by the Texas Comptroller.

2. Texas Code

As a political subdivision and an employer and corporation in Texas, H-GAC is subject to the laws of Texas. [See Texas Local Government Code Chapter 391.](#)

3. U.S. General Services Administration (“GSA”)

H-GAC receives funding from the federal government and several federal agencies. As such, H-GAC is subject to guidance related to travel expenses that the U.S. General Services Administration provides to those authorized to travel at the government’s expense. [See the Federal Travel Regulation page on the GSA website and eCFR Title 41.](#)

a. Per Diem Rate Maximums

H-GAC does not pay employees per diem. H-GAC has adopted the per diem rate maximums for lodging and meals established and updated annually by the GSA. [See Per Diem Rates / GSA.](#)

4. Internal Revenue Service Regulations

H-GAC employees and H-GAC, as an employer, are subject to Internal Revenue Service Regulations. [See IRS website.](#)

5. Government Funding, Grants, and Contracts

H-GAC receives a large portion of its funding from local, state, and federal government, agencies, partnerships with third party entities, and grants. The majority of H-GAC departments, programs, and H-GAC related entities are funded the same, including travel and expense reimbursements charged against these grants and programs. As such, the Agency and its employees are required to adhere to the guidelines, requirements, and clauses as provided and can be found in program grants, contracts and agreements, and funding applications.

E. OBTAINING TRAVEL AND EXPENSE APPROVALS

Employees must request and obtain appropriate preapprovals as soon as the employee knows their intended travel date(s) to take advantage of lowest cost travel accommodations. These expenses include, but are not limited to airfare, lodging, rental cars, and conference registration fees.

1. Required Approval for Travel

Employees must obtain preapproval from direct supervisor for any of the following travel:

- 1) Travel that takes an employee off premise for six (6) hours or more, and/or
- 2) Any out-of-region travel.

Exceptions: Mileage Reimbursements for in-region travel. Mileage reimbursement requests for in-region travel do not require preapproval.

The phrase “off premise” as used in these travel policies refers to an employee working somewhere other than: H-GAC’s headquarters; an employee’s teleworking residence; or, one of H-GAC’s recognized satellite offices.

2. Expenses Requiring Special Approval by H-GAC Executive Director

The following expenses require special preapproval by the H-GAC Executive Director. This is not an exhaustive list.

- 1) Expenses that may not be charged to a program or grant funds, therefore must be paid from local agency funds.
- 2) Expenses that exceed maximum allowable GSA Rates.
- 3) Any extraordinary expenses that have the potential to raise special inquiry from a funder, an auditor, a Public Information Act request, a department director, the accounting department, the H-GAC Chief Financial Officer or the H-GAC Executive Director.

F. RESPONSIBILITIES

1. Responsibility of Agency to Employees

H-GAC staff holding supervisory positions are responsible for ensuring that their employees are aware of and have been trained on the agency's most up-to-date travel policies. Further, H-GAC staff approving and/or signing off on employee expense reimbursement requests are responsible for ensuring that all employee travel reimbursements are diligently examined. Staff must comply with all applicable regulations and limitations prior to approving and/or signing reimbursement request.

In the event that an agency staff member does not train one of their employees on the current travel policies, the employee is not excused from complying with the agency travel policies and all other applicable rules and laws. It remains the employee's ultimate responsibility to be informed of and adhere to the agency's current travel policies and applicable travel rules and laws.

2. Fiscal Responsibilities of Agency

In effort to practice fiscal responsibility, an employee's direct supervisor and or the accounting department staff member in charge of charged with reviewing an expense reimbursement request, may require additional information or documentation as needed. The accounting department, under the direction of the H-GAC Chief Financial Officer, bears the responsibility for the final approval of an employee's expense reimbursement.

3. Responsibilities of H-GAC Employees

Employees shall ensure that their travel complies with applicable state and federal laws and with these policies. Employees may not seek payment or reimbursement for a travel expense that the employee knows or knows that is not reimbursable or payable. An employee shall immediately reimburse H-GAC for any overpayment or a mistakenly paid travel expense.

4. Employee Travel Cards

H-GAC participates in the State of Texas travel card program. This program allows H-GAC employees to request a travel related credit card to use for allowable travel related expenses while traveling out of region. The employee may request the card no later than seven (7) calendar days prior to departure.

Employees are responsible for safeguarding their travel cards from loss or theft and any unauthorized expenses made on the travel card. Employees

may only incur expenses on the travel card in alignment with the agency's current travel policies and applicable rules and laws. Employees will be required to sign an 'Employee Credit Card Acknowledgement Form' prior to receiving travel card.

Employees are required to properly reconcile charges to the travel card and submit that information to the agency within 45 days of completion of their travel or end date of the project, whichever occurs first. If an employee does not submit expense details for their travel, they will be notified, and the following staff will also be notified:

- The employee's direct supervisor,
- The accounting manager in charge of travel, and
- The Controller.

This reimbursement request will also be subject to denial.

In addition, if an employee has not submitted employee's expenses charged to a travel card, the following penalties will be applied:

- 1) Submission between 45-60 days from end of travel: travel card will not be activated until expense report has been submitted.
- 2) Submission between 61-75 days from end of travel: after submission, the travel card will be suspended. No funds or activation will occur even after submission of the report. The employee, along with their direct supervisor, must make a formal request to reinstate the card with the Controller.
- 3) Submission after 75 days from end of travel: the travel card will be revoked from the employee and the employee will be payroll deducted the amount spent on travel via the expense report. Re-issuing of the card will only occur after a formal request from the employee and the employee's direct supervisor to the Chief Financial Officer.

Reinstatement is at the sole discretion of the finance division and will be considered on a case-by-case basis.

An employee is liable, financially, and otherwise, to H-GAC for any expenses made on a travel card that are not preapproved and in alignment with the agency's current travel policies and applicable rules and laws. Employees agree that any such unallowable charges will be reimbursed by the employee by payroll deduction.

Employees are entitled to use their own personal money (credit cards, cash, checks, etc.) for travel expenses during business related travel. Should an employee submit a reimbursement request for such expenses

and the submission date is beyond the 45-day threshold, the reimbursement request will be denied.

All reimbursement requests are managed on a case-by-case basis.

II. GENERAL INFORMATION REGARDING EXPENSE REIMBURSEMENTS

A. EXPENSES

1. Generally Reimbursable Expenses

An H-GAC employee is entitled to be reimbursed for the following expenses if they are incurred for an official agency business reason. This is not an exhaustive list.

- Hotel occupancy or similar taxes for which an employee is entitled to be reimbursed.
- Internet, with restrictions.
- Gasoline charges when rented motor vehicles are used.
- Toll charges.
- Mandatory charges by a commercial lodging establishment other than the room rate.
- Books or documents purchased for and while attending a seminar or conference that are applicable to the job.
- Sales and use taxes if either the applicable law does not provide an exemption from those taxes or the procedure for claiming a legally available exemption is not honored by the person collecting the taxes. Per GSA, taxes are included in the daily GSA M & IE (meal and incidental) rate.
- Parking.
- Attendant care and related expenses.
- Baggage charges only to the extent that the airlines charges for the first bag.

2. Prohibited Expenses for Requested Reimbursement

This is not an exhaustive list.

- Alcohol.
- Entertainment.
- Tips and gratuities
- Dry cleaning and laundry.
- Expenses not approved by appropriate authorized agency representative.
- Expenses that have or will be reimbursed by another person or entity.
- Anything provided to an employee for free.
- Expenses paid on behalf of other employees (employees must incur and request reimbursement for their own expenses).

- Expenses paid on behalf of relatives, friends, or spouses of H-GAC employees.
- Expenses related to the operation or breakdown of a personally owned or leased vehicle.
- Expenses used to commit a crime; and,
- Moving violations and parking citations.

B. DEFINING H-GAC HEADQUARTERS AS IT RELATES TO DETERMINING TRAVEL ARRANGEMENTS AND EXPENSES

The H-GAC headquarters is at 3555 Timmons Lane in Houston, Texas. Employees must use the H-GAC headquarters' address or their satellite H-GAC office's address as the starting and ending origin when calculating mileage for reimbursement. Employees may not use employee's home address for mileage reimbursement calculations, unless business travel is required outside of H-GAC's core working hours as established by the employee handbook (6:00 AM – 7:00 PM CST) or is necessitated by extraordinary circumstances as determined by the H-GAC Executive Director.

Mileage reimbursements are not fringe benefits nor is it the agency's intent to reimburse employees for mileage to and from their place of residence.

C. PER DIEM

Per diem is an amount of money that someone is given for daily expenses, such as food and lodging, like a set allowance. Employees may not abuse meals and lodging reimbursements for their own benefits and would be considered a misuse of agency funds.

H-GAC only reimburses employees actual cost not to exceed the maximum specified per diem amount per location. H-GAC employees must claim the actual expenses incurred for meals and lodging, not to exceed the rates established by the GSA. It is the employee's responsibility to confirm employee is using the most recent GSA maximum allowable rates when incurring travel expenses on behalf of the agency.

GSA maximum allowable rates for meals and lodging are per day. Any difference between actual expenditure and the maximum allowable rate does not get carried over to or from another day.

Per Diem Rates can be found at [Per Diem Rates / GSA](#).

D. CANCELLATION CHARGES

H-GAC may reimburse an employee for a cancellation charge related to a travel expense, but only if the charge is incurred:

- For a reason related to agency business;
- or a reason related to agency business that could not be conducted because of a natural disaster; or
- For transportation that was purchased in advance to utilize a cost savings, but the employee was unable to travel due to illness or personal emergency.

1. Supporting Documentation for Cancellation Charges

The supporting documentation for the payment or reimbursement of a cancellation charge must satisfy the following requirements:

- The supporting documentation must specify the reason for the cancellation;
- The supporting documentation must include proof that the cancellation charge has been paid by the individual receiving the reimbursement if the charge is being reimbursed instead of paid directly;
- The supporting documentation must include the original, unused airline ticket, if the charge relates to an unused airline ticket; and,
- The supporting documentation must include a registration that supports the intended purpose of the travel had it not been canceled.

E. PREPAID TRAVEL CREDITS IN EMPLOYEE'S NAME

In the event H-GAC has paid for, or reimbursed an employee for prepaid travel expenses, and the employee must cancel said travel expenses but receives a credit in employee's name instead of a refund, employee may only use said issued credits for travel related to H-GAC business.

If an employee separates from employment with H-GAC prior to using any outstanding credits, the employee is financially liable to H-GAC to reimburse this expense. This expense will be deducted from the employee's final paycheck.

F. LOST RECEIPTS

Employees are responsible for ensuring tickets purchased or obtained while conducting business on behalf of H-GAC are properly safeguarded from loss or theft. Whenever possible, employees should utilize digital tickets for any form of transportation, admission to events, and parking. If lost, the employee is subject to no reimbursement of said expense or may be required to repay the agency at the

cost of the expense. All reimbursements or repayments will be managed on a case-by-case basis.

G. TRAVEL INSURANCE

H-GAC does not reimburse for any form of insurance purchased for travel purchases.

1. Personal Vehicle

H-GAC does not reimburse employees for personal vehicle insurance.

2. Rental Car

H-GAC does not reimburse employees for rental car insurance. H-GAC participates in the State of Texas Contract for Rental Vehicles. As part of H-GAC's corporate account, a damage waiver, and Supplemental Liability Protection (SLP) insurance are already included with all rental vehicles.

3. All Other Forms of Transportation

H-GAC does not reimburse for any form of insurance purchased for forms of transportation.

H. ARRIVING A DAY EARLY OR DEPARTING A DAY LATER TO OR FROM BUSINESS TRAVEL

Employees are eligible to depart the day before or the day after conducting official H-GAC business. To qualify for an early departure or late arrival, the employee's official itinerary must see them depart from, or return to, H-GAC Headquarters outside of H-GAC's core business hours (6:00 AM-7:00 PM CST) relative to the business travel schedule. Provided the event cannot be rescheduled, early arrivals or late departure expenses would be reimbursable provided expenses fall in line with policy guidelines.

Travel Expenses incurred due to arriving more than one day in advance of official H-GAC business are only reimbursable under the following circumstances:

- The expenses are incurred to qualify for discounted airfare.
- Traveling to, and from, the destination requires more than one day.

All travel requiring an employee's arrival more than one day prior to the start of a meeting requires a written pre-approval from their direct supervisor.

I. COMBINING PERSONAL TRAVEL WITH AGENCY TRAVEL

1. Combining Personal Travel with agency Travel

If an employee travels for the dual purpose of conducting H-GAC business and attending to personal business H-GAC will reimburse those expenses that would have been incurred had the employee not combined personal business in the trip.

Examples: #1 Employee travels to Florida on H-GAC business. Cost of airfare to Florida is \$250. The plane has a scheduled stop in Atlanta. Employee stays overnight in Atlanta to visit family. There is no additional cost imposed by the airline to fly the next day from Atlanta to Florida. H-GAC will reimburse the total trip.

#2 Same facts as in the above example, however, the airline imposes additional fare of \$75. The additional cost will not be reimbursed by H-GAC.

2. Traveling With Personal Companions (Non-H-GAC Employees)

If an employee brings a personal companion or guest during agency business related travel, the agency is not liable to employees or an employee's personal companion(s) or guest(s).

Employees may not use travel card or ask for reimbursement for expenses incurred or spent on behalf of employee's companion or guest.

J. CUSTOMER TRAVEL REWARDS, POINTS, AND DISCOUNTS

Employees may keep frequent flyer points and rewards earned while traveling on behalf of the agency so long as the points and rewards were earned and not paid for by H-GAC.

Example:

Employee travels on Southwest Airlines to Dallas for a conference on behalf of H-GAC. Employee stays at Marriott Hotels while in Dallas for conference. Employee participates in both Southwest's and Marriott's reward programs, where employee earns points for every flight and overnight stay. Employee may use and keep any points employee earned for this travel.

Example:

Employee travels on Southwest Airlines to Dallas for a conference on behalf of H-GAC. Employee stays at Marriott Hotels while in Dallas for conference. Employee participates in both Southwest's and Marriott's reward programs, where employee earns points for every flight and overnight stay. Marriott allows reward program participants to purchase

extra points with cash to upgrade to a larger hotel room. Employee may not use agency funds to purchase reward points for anything. However, employee may elect to use employee's money to purchase points to upgrade hotel room. H-GAC will not reimburse employee to purchase reward points for any travel programs or vendors.

III. REIMBURSEMENT SUBMISSION REQUIREMENTS

A. REQUIRED RECEIPTS AND DOCUMENTS

1. Required Supporting Documentation

The supporting documentation for a travel expense must provide sufficient detail or justification to demonstrate that:

- employee received preapproval from direct supervisor to conduct travel and incur expenses; and
- the expense was incurred while conducting official agency business

2. Receipts

Receipts are required for all expenses. Submitted receipts must be itemized reflecting each item included in total amount charged. Receipts must also show confirmation of payment and form of payment (such as last four (4) digits of credit card used). Condensed or incomplete receipts will not be accepted. Lost or missing receipts will result in no reimbursement or having to pay funds back. In lieu of a missing receipt, employees can submit a bank statement (with all private information redacted) reflecting the charge in question. Reimbursement requests are managed on a case-by-case basis.

3. Documentation Requirements

Employee must submit all supporting documentation with each reimbursement request.

- Complete itemized receipts for the following:
 - Meals
 - Airfare
 - Baggage Fees
 - Taxi/Uber/Lyft Services
 - Parking
 - Fuel
 - Lodging

- Tolls
- Three (3) total quotes (including the airfare chosen) and a justification document to prove the airfare chosen was the least expensive airfare given all relevant circumstances – quotes must be timestamped on the day of purchase.
- Conference agendas showing daily schedule, including meals provided.
- Employee Development Request (EDR) Form signed by authorized parties (if required by department)
- TxDOT Out-of-State Approval Form signed by authorized parties (if required by department)
- Approved timesheets for period reimbursement expenses incurred (if required by department)

This is not an exhaustive list. The accounting department reserves the right to ask for additional documentation, if needed. All expense report documentation is managed on a case-by-case basis.

4. Missing Receipts or Documentation

Failure to submit itemized receipts reflecting all required information, or any other applicable documentation as stated above risks denial of your reimbursement request.

B. DEADLINE FOR EXPENSE REIMBURSEMENT REQUESTS

Employees must submit expense reimbursement requests to the H-GAC accounting department within 45 days from the completion date of travel or 30 days prior to project close date, whichever is sooner. Requests must be time stamped to reflect timely submission. Multiple trips may not be combined with one expense report to extend this deadline. Each trip must be submitted on a separate expense voucher.

The 45 days expense reimbursement request deadline and policy apply to board members, committee members, and anyone else authorized by the H-GAC Executive Director to travel on behalf of H-GAC.

Failure to submit expense reimbursement requests on a timely basis or submitting a request improperly and/or without the required or accurate supporting documentation may result in any or all the following:

- A forfeiture of claim for reimbursement;
- A denial of future travel requests;
- Suspension of travel card until late reports have been submitted; or,
- No activation of travel card until late reports have been submitted.

If expense reimbursement includes a non-reimbursable expense charged to the travel card these requests will be returned to the employee for adjustment or for removal from the report. If an employee overspent their per diem, the overage will be taken from any personal expenses incurred. If no personal expenses were incurred, the re-payment to H-GAC will be processed as a payroll deduction.

C. CONCUR TRAVEL SOFTWARE

H-GAC uses Concur travel software to request permission and report expenses by H-GAC employees who travel to conduct agency business. Many of H-GAC's travel policy and regulations are incorporated into Concur, including the GSA federal maximum per diem and mileage rates as the GSA updates them. Concur is available to staff through the [*'Travel and Expenses' page on SharePoint*](#).

Employees may also access short training videos and step-by-step desk aids that guide employees through making travel requests and reporting travel expenses on SharePoint.

D. TRAVEL ARRANGEMENTS REQUEST

The Travel Arrangements Request Form must be utilized for all out-of-region travel. This form, exclusively delivered via Asana, is to be used by the accounting department to assist with booking air, hotel, and rental cars at the most cost-efficient rates, all things considered. The Travel Arrangements Request Form will only be distributed after accounting receives the employee's approved travel request via Concur.

IV. MEALS AND LODGING DURING TRAVEL

Employees must have preapproval from employee's direct supervisor to travel and incur expenses on behalf of the agency. An agency employee may be reimbursed for meals and lodging expenses incurred while traveling on behalf of and to conduct agency business, subject to rules provided throughout these policies.

Definitions:

In-Region: work within any of the thirteen (13) counties H-GAC serves.

Out of Region: work done outside any of the thirteen (13) counties H-GAC serves.

A. SAME-DAY OR NON-OVERNIGHT TRAVEL (IN-REGION/OUT-OF-REGION)

1. Meals

Employees are not eligible for same-day meal reimbursements unless they are required to attend a training, seminar, or conference and spend six (6) or more hours away from H-GAC headquarters. Same-day travel meals are capped at the maximum allowable in-state or out-of-state non-overnight amount as established by the GSA based on the current fiscal year. H-GAC will reimburse the actual cost of the meals not to exceed the maximum allowable in-state or out-of-state non-overnight amount. This reimbursement is considered income and must be submitted via payroll.

Meals provided by the conference, training, or event are not eligible for reimbursement. Non-mandatory continental breakfasts provided by hotels or conferences do not qualify as a provided meal.

Employees must include documentation of the meeting, conference, or event indicating detailed event agenda for each day of event, start and end times of event for each day, and whether meals were or were not provided for each day.

2. Lodging Expenses

Employees are not eligible for reimbursements on same-day or non-overnight lodging when traveling on behalf of the agency.

3. Exceptions

The H-GAC Board Directors and the H-GAC Executive Director are exempted from the six-hour requirement and gratuitous meals exception. The H-GAC Board Directors and the H-GAC Executive Director may be reimbursed for the actual cost of meals for that day, not to exceed the current maximum daily rate as it applies to Board Directors and Executive Directors. *See VII A 3-4 in these travel policies.*

B. OVERNIGHT TRAVEL

1. In-Region

a. Lodging

Employees are not eligible for overnight lodging in-region unless it meets the following condition: Lodging is mandatory and connected with a training, seminar, or conference.

In-region lodging expenses must be approved in advance by their division Chief. The supporting documentation (along with all other required supporting documentation) must show how lodging was mandatory and that it was connected with a training, seminar, or conference. The division's chief approval must also be included.

b. Meals

If an employee is required, and receives approval, to stay overnight in-region then their meal expenses are reimbursable. Their meal per diem would go in accordance with the rates established by the GSA. The employee will be reimbursed for actual cost of meals for each day of travel, not to exceed the current maximum overnight daily rate.

2. Out-of-Region

a. Lodging

Employees may be reimbursed for actual out-of-region lodging expenses incurred if the travel is required to conduct Agency business. Lodging expenses may not exceed current GSA rates.

b. Meals

In the event an employee is required, and approved, to travel out-of-region overnight, the employee may be reimbursed for the actual cost of meals for each day of travel, not to exceed the current maximum overnight daily rate, and subject to grant or program allowances. Furthermore, meal expenses cannot be carried forward from day to day.

c. Meals Not Eligible

Meals provided by the conference, training, or event are not eligible for reimbursement. Continental breakfasts provided by hotels or conferences that are not mandatory do not qualify as a provided meal.

3. Exceptions

The H-GAC Board Directors and the H-GAC Executive Director are exempted from the gratuitous meals' exception. The H-GAC Board Directors and the H-GAC Executive Director may be reimbursed for the actual cost of meals for that day, not to exceed the current maximum daily rate as it applies to Board Directors and Executive Directors. *See VII A 3-4 in these travel policies.*

V. MEALS AND LODGING LIMITATIONS

A. MEALS

1. Optional Expenses

a. Valet

Valet at restaurants is not reimbursable.

b. Parking

Parking fees at restaurants are not reimbursable.

2. Business Meals

a. Definition

A business meal is defined as when two or more employees (which must include board members and/or key officials) dine together at the same dining establishment resulting in the meal being paid for by only one person during official H-GAC business.

b. Practice

Employees should ask the dining establishment to split the overall receipt into itemized receipts to allow each employee to pay separately.

c. Solution

In the event the dining establishment is unable (or unwilling) to split the overall receipt resulting in one singular payment, the following must occur:

- 1) During the reimbursement request, the employee who paid for the meal must list all employees, key officials, and/or board members who attended the meal and had their meal paid for by the employee.
- 2) The employee's individual meal will be marked against each employee's project and per diem via an allocation in Concur.
- 3) Any funds owed by an employee for exceeding their specific GSA Maximum allowable meal per diem will be collected via payroll deduction or reduction in reimbursement request.
- 4) This practice applies to all H-GAC employees including the H-GAC Executive Director, board members, and key officials.

B. LODGING

1. Inability to Obtain Lodging at Travel Destination Point Under Maximum Allowance

Employees should utilize the Travel Arrangements Request Form to assist with their travel to take advantage of the most availability and best rates

for all travel accommodations.

If the Travel Arrangements Request Form cannot produce a positive result in finding lodging within the maximum allowable lodging rates as established by the GSA, the employee may exercise one of two options.

a. Option 1 - Reduce Meal Reimbursement Rate to Increase Lodging Rate

An employee may reduce the maximum meal reimbursement rate and use the amount of reduction to increase the lodging reimbursement rate. This provision is allowable for each day of travel; however, each day is calculated individually. An employee may not carry forward any credit to subsequent travel days.

b. Option 2 - Request a Higher Maximum Lodging Reimbursement Rate

Employee must submit a formal written request to reserve lodging more than the maximum allowed lodging rate. The request must contain the *Request for Higher Maximum Lodging Rate* form signed by the employee and Lead Travel Coordinator to attest that lodging at, or below, the per diem was not attainable.

The employee must receive preapproval from the Executive Director prior to travel expense being incurred. Failure to obtain approval prior to travel will result in the lodging reimbursement being limited to the maximum allowed lodging rate for that area of travel. Seeking approval to increase the lodging reimbursement rate after travel has occurred will be declined. Approval is not guaranteed and is handled on a case-by-case basis.

2. Hotel Occupancy Taxes

H-GAC is not exempt from paying hotel occupancy taxes.

3. Hotel Valet and Parking

Hotel valet and parking fees, such as optional covered parking, are reimbursable. Employees must utilize lowest cost option when considering parking option as noted in section IB – Conservation of Funds.

4. Other Optional Expenses and Fees

All upgrades and optional fees related to lodging are not reimbursable, including but not limited to:

- Early/late checkout,
- Entertainment,
- Concierge fees,
- Tips and gratuities,
- Upgraded rooms,
- Added bedding,
- Cleaning fees.

VI. TRANSPORTATION

When required to travel to conduct agency business, in determining whether to travel by automobile, public transit, car service/taxi/rideshare, or by airplane, an employee must consider both cost efficiency and best use of employee's time.

A. GENERAL INFORMATION

1. **Coordination of Travel - "Four-Per-Car-Rule"**

When employees are traveling via automobile on the same dates, the same itinerary, and same business purpose, they must coordinate travel. When four or fewer employees travel on the same itinerary, only one may be reimbursed for mileage. Employee may be reimbursed for mileage used to travel to pick up employees.

a. In-Region

- If all employees are working at H-GAC headquarters on the day of travel and possess the same schedule and itinerary, they must coordinate travel.
- If all employees are working remotely on the day of travel, coordination of travel is not required.

H-GAC employees should make their best attempts to coordinate travel when realistically feasible.

b. Out-of-Region

- Employees should utilize coordination of travel for all out-of-region travel in accordance with section IB – Conservation of Funds.

Coordination of travel is not required if the manager of the department

employing traveling employees determines, in advance, that coordination of travel is not reasonably feasible.

B. PERSONAL VEHICLE

H-GAC may reimburse employees for mileage driven in employee's personal vehicle to conduct agency business off-premises if the travel has been preapproved by employee's direct supervisor.

C. RENTAL VEHICLE

H-GAC participates in the [State Travel Management Program \(texas.gov\)](http://texas.gov) for rental cars to maximize savings as negotiated by the state through the program. For in-region rental requests, employees must contact their department administrative assistant. For out-of-region rental requests, employees must submit the request to the Lead Travel Coordinator via the 'Travel Arrangements Request Form.'

Employees may not rent cars directly from vendors. All cars rented through H-GAC and the state provided vendor include a Damage Waiver and Supplemental Liability Protection for the vehicle.

H-GAC will only pay for and reimburse mandatory rental car charges. If an itemized charge is optional, it is not a mandatory charge.

1. Eligibility for Renting a Car

- a. Employees can rent a car only when it is the least expensive means of transportation.
- b. Employees must be 21 years old at the time of travel to be eligible to rent a vehicle.
- c. Employees may only rent compact cars. Should an employee need a vehicle larger than a compact car, the employee must obtain a written pre-approval from their direct supervisor that a larger vehicle was necessary for the employee's travel.

2. Optional Expenses Limitations

a. Vehicle Upgrades

H-GAC may only reimburse employees for a compact vehicle. In the event an employee opts to upgrade vehicle, employee must pay the daily rate difference between the compact vehicle and the rented upgraded vehicle.

If the vehicle rented is not available at the time of pick-up, and the rental car agency upgrades the vehicle, the employee must confirm the compact car rate before taking possession of the upgraded vehicle.

b. **Optional Vehicle Accessories**

Employees must pay for all optional items (vehicle accessories, etc.) purchased with rental car. Rental vehicle optional items are not reimbursable.

c. **Prepaid Fuel**

Employees may not purchase the prepaid fuel option. Employees are responsible for ensuring the rental vehicle is returned with the required fuel level.

D. COMMERCIAL AIRLINES

H-GAC may reimburse employees for standard expenses to travel by commercial airlines if this form of travel has been preapproved by employee's direct supervisor and determined to be the most cost and time effective option for travel.

H-GAC will only reimburse employees for the lowest fare available and mandatory airline charges. If an itemized charge is optional, it is not a mandatory charge. Employee must submit a receipt showing the name of the airline, name of employee, date and time of travel, airports traveling to and from each flight, and itemization of all fees charged, and confirmation of payment showing last four digits of credit card used.

1. **Seat Fee Limitations**

If complimentary/free seats are available, those seats must be selected. Fees charged by airlines to select an upgraded seat are not eligible for reimbursement unless the employee receives prior approval.

If no free seats are available, the employee is allowed an upgraded seating option. The employee must provide documentation that no free seats were available at the time of booking. This documentation must be attached to the expense report. Failure to provide the proper documentation will result in a denial of the reimbursement claim for that expense.

2. **Baggage Fee Limitations**

H-GAC may reimburse an employee for one standard sized check-in baggage per flight. H-GAC will not reimburse an employee for:

- two or more standard sized check in and one carry-on baggage.

- over-sized baggage; or
- other special baggage fees unless the added baggage is for H-GAC equipment, supplies, or materials.

3. Other Airline Fees

a. VIP Services and Priority Boarding

H-GAC will not reimburse employees for optional airline fees, including but not limited to:

- VIP services,
- private lounge fees,
- priority boarding, and
- early check in fees.

b. Wi-Fi, Entertainment, Alcohol

Wi-Fi, entertainment, and alcohol purchased during air travel or at the airport are not reimbursable.

c. Meals and Beverages

H-GAC may reimburse an employee for meals and beverages purchased on airlines as meal expenses incurred during travel. These meals and beverages must be included in calculating employee's daily maximum allotment for meals.

E. TRAVEL BY RAILWAY, BOAT, PRIVATE SHUTTLE BUSES

H-GAC may reimburse employees for standard expenses to travel by railway, boat, or private shuttle if this form of travel has been preapproved by employee's direct supervisor. H-GAC will only reimburse employees for the lowest fare available within a time frame that allows an employee to arrive four hours or less at first destination point or departs no later than four hours after the end of the event at the final destination point. H-GAC will only reimburse mandatory railway, boat, or private shuttle bus charges. If an itemized charge is optional, it is not a mandatory charge. Employee must submit a receipt showing the name of the company, name of employee, date, and time of travel, pick up and drop off points, and itemization of all fees charged.

1. Seat Fee Limitations

H-GAC may only reimburse employees for standard seating. H-GAC will not reimburse employees for optional and or upgraded seating.

2. Baggage Fee Limitations

H-GAC will not reimburse employees for baggage fees unless the baggage is for H-GAC equipment, supplies, or materials.

3. Other Fees

- a. Wi-Fi, Entertainment, Alcohol
Wi-Fi, entertainment, and alcohol purchased during travel are not reimbursable.
- b. Meals and Beverages
H-GAC may reimburse an employee for meals and beverages purchased on railway, boat, or private shuttle as meal expenses incurred during travel but must be included in calculating employee's daily maximum allotment for meals.

F. TRAVEL BY MASS PUBLIC TRANSIT (BUS, SUBWAY)

H-GAC may reimburse employees for standard expenses to travel by mass public transit.

G. STANDARD VEHICLE OR ELECTRIC BICYCLE TRANSPORTION

1. Rideshare

H-GAC may reimburse employees for standard expenses to travel by rideshare such as Lyft or Uber. H-GAC will only reimburse mandatory rideshare charges. If an itemized charge is optional, it is not a mandatory charge. Employee must submit a receipt showing the name of rideshare company, date and time of travel, and itemization of all fees charged.

a. Optional Fee Limitations

H-GAC will not reimburse employees for optional fee purchases on rideshare apps, including but not limited to:

- priority pick up.
- late fee.
- tips and gratuities
- ride cancellation.
- luxury vehicle.
- extra comfort vehicle; or,
- VIP style vehicle.

2. Taxis and Shuttles

H-GAC may reimburse employees for standard expenses to travel by taxi. Employee must submit receipt showing the name of transportation company, date and time of travel, and itemization of all fees charged. H-GAC will not pay for tips or gratuities.

3. Private Car Service and Limousines
H-GAC does not reimburse employees for private car service or limousines.
4. Electric Bicycles
H-GAC may reimburse employees for standard expenses to travel by electric bicycle. Employee must submit a receipt showing rental charge.

H. MILEAGE

1. Reimbursable Mileage

a. Eligibility

An agency employee may be reimbursed for mileage incurred to conduct preapproved written agency business in writing. The reimbursement may not exceed the total of the number of miles traveled for business multiplied by the maximum mileage reimbursement rate as established by the Texas Comptroller.

The mileage reimbursement rate is inclusive of all expenses associated with the employee's use of his or her vehicle, such as maintenance and vehicle insurance.

b. Limitations

Only one employee may claim the mileage reimbursement for use of a personal car, regardless of number of employees riding in same car. Names of all employees traveling in the same vehicle must be noted in reimbursement request.

c. Mileage Reimbursement Rate

H-GAC has adopted the mileage rates for personal vehicles established and updated annually by the Texas Comptroller.

2. Calculating Mileage

a. General Calculations

Pursuant to employees may not be reimbursed for mileage incurred in traveling between the employee's residence and place of employment in a personally owned or leased motor vehicle, with exception to special circumstances.

i. Starting Origin

Subject to section pertaining to 'Travel Outside of Normal Working Hours,' employees must calculate mileage using

the address of the agency headquarters or satellite office as a starting point of origin.

ii. Ending Origin

Subject to section pertaining to ‘Travel Outside of Normal Working Hours,’ employees must calculate mileage using the address of the agency headquarters or satellite office as final origin for travel.

b. Route Determination

The number of reimbursable miles may not exceed the number of miles of the safest and most cost-effective route between the origin of the employee’s travel and the employee’s final destination, and any agency business related stopping points in between. The shortest route between points is presumed to be the most cost-effective route. A map showing distance in miles should accompany the employee’s reimbursement request.

A longer route may be considered the most cost-effective route if the employee provides a justification statement containing a reasonable explanation for why the longer route was taken instead.

c. Travel Between Employee Residence and H-GAC Headquarters or Employee’s Regular H-GAC Satellite Office

Employees may not be reimbursed for mileage incurred traveling between the employee’s residence and place of employment, with exception to extraordinary circumstances, pre-approved in writing by the Executive Director.

d. Travel Between Employee Residence and an Airport

An employee traveling outside of H-GAC’s core hours (6:00 AM – 7:00PM CST) or anytime on the weekend to or from the airport may be reimbursed mileage calculated using employee’s residence as starting or ending points of origin instead of using H-GAC’s headquarters or employee’s satellite office.

e. Travel Outside of Normal Working Hours

An employee required to travel before 6:00am or after 7:00pm, H-GAC’s core working hours as per the H-GAC employee handbook, may be reimbursed mileage calculated using employee’s residence as starting or ending points of origin instead of using H-GAC headquarters or employee’s regular H-GAC satellite office worksite.

I. PARKING, TOLLS, AND MISCELLANEOUS TANSPORTATION EXPENSES

1. Parking Fees

a. Airport Parking

- Airport valet and premium parking is not reimbursable.
- Employees are encouraged to utilize offsite and economy lots as this is the most economical expense when choosing airport parking.

H-GAC may reimburse employees for standard overnight airport parking for each night of preapproved agency travel. Employees must select the safest, least expensive parking option.

b. Hotel Parking

See the 'Hotel Valet and Parking' section in these policies.

c. Lost Parking Ticket

See 'Lost Tickets' section in these policies.

2. Tolls

H-GAC may reimburse an employee for toll expenses incurred for conducting agency preapproved business, so long as the mileage driven, or car rented for travel is also reimbursable.

3. Moving Violations and Parking Citation

Moving violations and parking citations incurred by an employee are not reimbursable expenses, regardless of the circumstances.

4. Vehicle Breakdown

Expenses related to the operation or breakdown of a personally owned or leased vehicle are not reimbursable.

VIII. MISCELLANEOUS PROVISIONS

A. SPECIAL EXCEPTIONS

1. H-GAC Employees Who Have a Disability

For purposes of these policies, a disability is a physical or mental impairment of an individual that limits one or more major life activities of the individual.

H-GAC may reimburse an employee with a disability for attendant care and other necessary expenses incurred when the employee travels to conduct agency business and the Executive Director has preapproved this expense in writing. Attendant care and related expenses are classified as incidental travel expenses.

a. Required Supporting Documentation

- Documentation that employee receiving care has a disability, meeting the aforementioned definition, and that the attendant care was necessary for employee's travel.
- Full name and contact information for attendant.
- Cost of attendant care for employee during agency travel.
- Itemized receipts for all expenses to be reimbursed accompanied with detailed descriptions of reason for expense.

b. Reimbursement

When reimbursing the attendant of a disabled state employee, a single reimbursement may cover the expenses incurred by one or more individuals. The following conditions must be met for reimbursement:

- Expenses must be charged to the Texas identification number (or social-security-number) of the employee's attendant(s) incurring expenses.
- If there is more than one attendant, each attendant who incurred the expenses must be listed on a separate detail line.
- The Texas identification number (or social security number) and name of the payee must be listed on the address line.

If reimbursement is for first class airfare when another fare was available, the supporting documentation must state that the first-class airfare was medically necessary for the state employee.

If reimbursement is for business class airfare when a lower fare was available, the supporting documentation must state that the business class airfare was medically necessary for the state employee.

2. Prospective and Temporary H-GAC Employees

a. Prospective Employees

At the discretion of the H-GAC Executive Director, H-GAC may elect to pay for or reimburse travel expenses for a job candidate who lives farther than one hundred (100) miles from H-GAC headquarters or H-GAC satellite office to travel to H-GAC for an in-person interview. The reimbursed or directly paid travel expenses made to or on behalf of the job candidate are limited to the same rules and maximum allowances H-GAC employees are subject to. H-GAC may not issue job candidates per diem or a travel advance. Reimbursements may be made for the exact cost of the expense up to allowed maximums.

b. Temporary Employees

Temporary employees must abide by current H-GAC travel policy. All applicable reimbursement requests and documentation must be submitted to the temporary staffing agency for reimbursement. H-GAC does not reimburse temporary staff directly for travel.

3. Travel for H-GAC Board Members

The H-GAC Board Directors may be reimbursed for meal and lodging expenses incurred while performing the duties of a H-GAC board director. Board director meal and lodging reimbursement rates are equal to twice the maximum amount that could be reimbursed to agency employees.

Example:

Current GSA Meal Rate x 2 = Board of Director Reimbursement Rate

Current GSA Lodging Rate x 2 = Board of Director Reimbursement Rate

4. Travel for H-GAC Executive Director

The H-GAC Executive Director may be reimbursed for meal and lodging expenses incurred while performing the duties of the H-GAC Executive Director. The H-GAC Executive Director meal and lodging reimbursement rates are equal to twice the maximum amount all other Agency employees are allowed.

Example:

Current GSA Meal Rate x 2 = Executive Director Reimbursement Rate

Current GSA Lodging Rate x 2 = Executive Director Reimbursement Rate

5. Other Persons Traveling on Behalf of H-GAC

The H-GAC Executive Director has the discretion to approve non-employees to travel on behalf of H-GAC. The reimbursed or directly paid travel expenses made to or on behalf of the non-employee are limited to the same rules and maximum allowances H-GAC employees are subject to. H-GAC may not issue non-employees per diem or a travel advance. Reimbursements may be made for exact cost of the expense up to allowed maximums.

B. EXPENSES NOT DIRECTLY RELATED TO AGENCY BUSINESS BUT INCURRED DURING AGENCY TRAVEL

1. Medical Care for Employees While Traveling on Agency Business

H-GAC will not pay for employee's medical care while traveling on agency business.

2, Lost or Damaged Personal Items and Property

Employees are responsible for their personal items and property, even while traveling on behalf of the agency. H-GAC will not pay for or reimburse an employee for personal items and property the employee lost or must repair, even if the employee lost or damaged the item while traveling on behalf of the agency.

3. Lost or Damaged H-GAC Items and Property

Employees are responsible for agency items and property entrusted to employee's care while traveling on behalf of agency. Employees that lose or damage H-GAC items or property may be held financially liable to H-GAC for replacing or repairing lost, stolen, or damaged H-GAC items and property.

The agency may opt to reimburse an employee or pay directly for replacing or repairing reimburse an employee for a H-GAC item or property that has been lost, stolen, or damaged only if the agency determines that the loss, theft, or damage occurred despite the employee's exercise of reasonable care to safeguard it.

MONTHLY FINANCIAL REPORT - FEBRUARY 2025

Background

N/A

Current Situation

N/A

Funding Source

N/A

Budgeted

N/A

Action Requested

Request approval of the monthly financial report ending February 28, 2025. (Staff Contact: Christina Ordonez-Campos)

ATTACHMENTS:

	Description	Type
	Monthly Financial Report - February 2025	Cover Memo

HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY25 Monthly Financial Report

For Month Ending February 28, 2025

Prepared on March 5, 2025



Esteemed H-GAC Board of Directors and Executive Director Wemple, please find attached the financial report for last month. The information contained within is intended for managerial reporting purposes. All figures are unaudited and subject to change. Should you have any questions, please feel free to let me or a member of my staff know.
Respectfully submitted, Christina Ordóñez-Campos, CPA - Chief Financial Officer.

SUMMARY OF KEY CHANGES

REVENUES

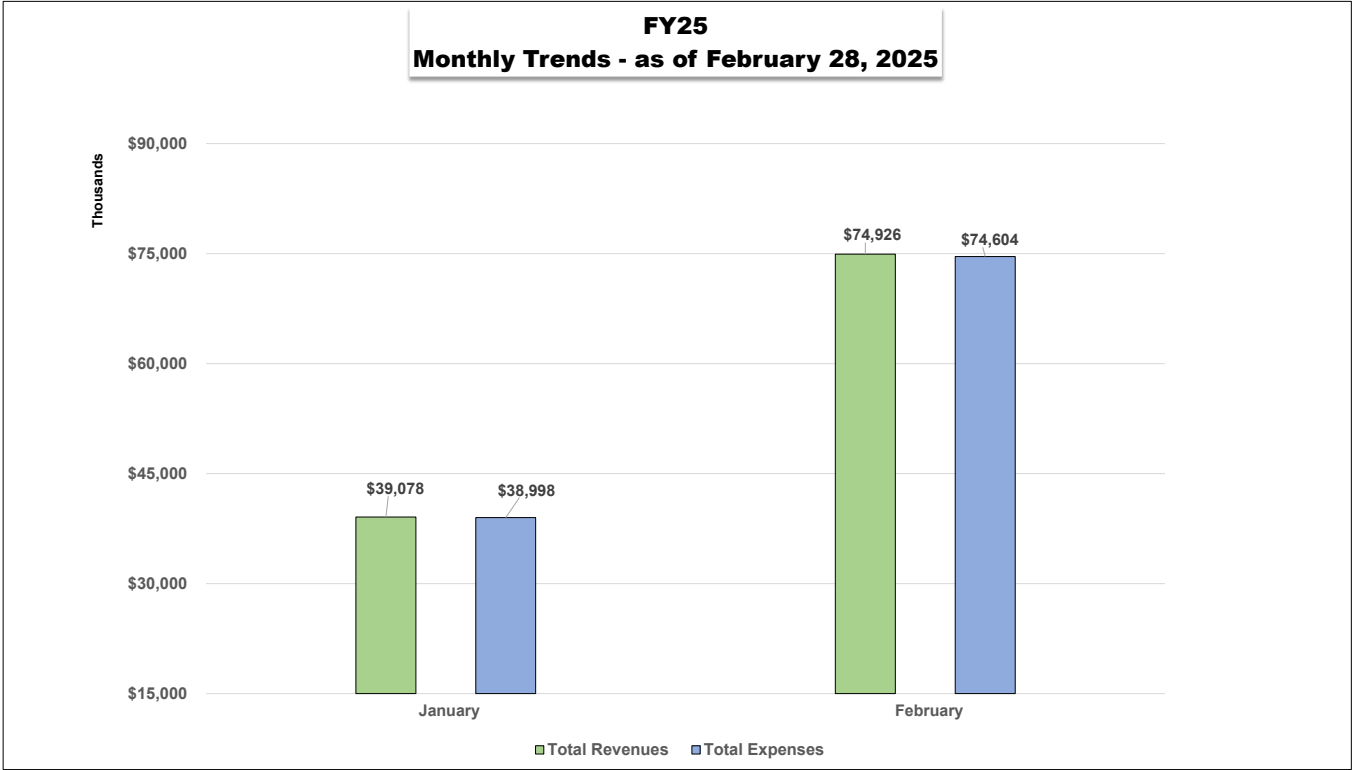
- > Membership dues invoices are scheduled to be mailed out in March.
- > Interest earnings have slowed in recent months due to actions taken by the Federal Reserve. However, despite this challenge, we have successfully exceeded the budgeted amount and ended the month at 181K or 18%.
- > During February 2025, cooperative purchasing revenues saw a substantial increase, rising to 576K compared to 333K last month, and performed better than the same point in time last year.

EXPENDITURES

- > Personnel expenditures are at 13% of the budget, while 16.67% of time has elapsed. We currently have 346 employees compared to 323 in February 2024.
- > Pass-through expenses are steadily increasing and are currently related only to the Workforce and Transportation programs. We expect to begin receiving invoices for the other programs next month.
- > Consultant expenses increased this month, with the largest increases observed in the Workforce and Transportation programs.

*** Please note: the financial activity outlined above and in the report falls within the past trends observed in H-GAC's operations and is not out of the ordinary. ***

Monthly Trends Chart



HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY25 Monthly Trends Report

For Month Ending February 28, 2025

	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025
Revenues						
General & Enterprise Fund Revenues						
Membership Dues	\$ -	\$ -				
HGAC Energy Corporation	7,717	5,117				
Cooperative Purchasing Fees	333,326	576,612				
Gulf Coast Regional 911 Fees	327,668	384,194				
Interest Income	32,271	148,962				
Other Revenues	175,158	153,458				
Total General & Enterprise Fund Revenues	\$ 876,140	\$ 1,268,343	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund						
Federal Grants	\$ 11,608	\$ 17,191				
State Grants	38,190,394	34,562,137				
Total Special Revenue Fund Revenues	\$ 38,202,002	\$ 34,579,328	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 39,078,142	\$ 35,847,671	\$ -	\$ -	\$ -	\$ -
Expenditures						
Personnel	\$ 3,268,715	\$ 3,361,995				
Pass-through Funds - Grant	34,905,968	30,929,587				
Consultant and Contract Services	133,856	710,131				
Lease of Office Space	121,103	127,746				
Equipment	91,509	29,489				
Travel	6,081	48,615				
Other Expenses	471,070	398,528				
Total Expenditures	\$ 38,998,301	\$ 35,606,091	\$ -	\$ -	\$ -	\$ -
Excess of Revenues Over(Under) Expenditures	\$ 79,841	\$ 241,580	\$ -	\$ -	\$ -	\$ -

HOUSTON GALVESTON AREA COUNCIL (H-GAC)

FY25 Budget to Actual Report - All Funds

For Month Ending February 28, 2025

16.67% of Year
Elapsed

	FY25 Budget	FY25 Year-to-Date Actuals	FY25 % of Actuals to Budget	FY24 Budget	FY24 Year-to-Date Actuals	FY24 % of Actuals to Budget
Revenues						
General & Enterprise Fund Revenues						
Membership Dues	\$ 462,937	\$ -	0%	\$ 462,137	\$ 189,246	41%
HGAC Energy Purchasing Corporation	130,000	12,834	10%	80,000	29,941	37%
Cooperative Purchasing Fees	6,759,626	909,938	13%	5,500,000	621,100	11%
Gulf Coast Regional 911 Fees	5,812,715	711,862	12%	2,818,187	380,864	14%
Interest Income	1,000,000	181,233	18%	500,000	227,790	46%
Other Revenues	7,949,421	328,616	4%	6,947,976	1,638,668	24%
Total General & Enterprise Fund Revenues	\$ 22,114,699	\$ 2,144,482	10%	\$ 16,308,300	\$ 3,087,609	19%
Special Revenue Fund						
Federal Grant	\$ 695,000	\$ 28,798	4%	\$ 695,000	\$ 19,117	3%
State Grants	572,017,611	72,752,532	13%	533,764,173	65,969,104	12%
Total Special Revenue Fund Revenues	\$ 572,712,611	\$ 72,781,330	13%	\$ 534,459,173	\$ 65,988,221	12%
Total Revenues	\$ 594,827,310	\$ 74,925,813	13%	\$ 550,767,473	\$ 69,075,830	13%
Expenditures						
Personnel	\$ 51,073,701	\$ 6,630,710	13%	\$ 41,512,429	\$ 6,201,158	15%
Pass-through Funds - Grant	500,863,097	65,835,555	13%	479,466,417	60,851,838	13%
Consultant and Contract Services	23,427,840	843,987	4%	20,364,025	825,596	4%
Lease of Office Space	2,118,027	248,849	12%	1,827,797	229,651	13%
Equipment	4,782,834	120,998	3%	566,200	14,598	3%
Travel	899,870	54,696	6%	697,397	46,008	7%
Other Expenses	11,661,941	869,598	7%	6,484,891	922,162	14%
Total Expenditures	\$ 594,827,310	\$ 74,604,392	13%	\$ 550,919,156	\$ 69,091,011	13%
Excess of Revenues Over(Under) Expenditures	\$ -	\$ 321,421		\$ (151,683)	\$ (15,181)	
Beginning Fund Balance (all funds) - Jan. 1 (1)	\$ 48,127,368	\$ 48,127,368		\$ 40,872,331	\$ 40,872,331	
Ending Fund Balance (all funds) - Feb. 28 (2)	\$ 48,127,368	\$ 48,448,789		\$ 40,720,648	\$ 40,857,150	

(1) Jan. 1, 2025 beginning fund balance is preliminary & subject to change. This figure is unaudited.

(2) All ending fund balances are as of end of February for each year.

SPEND DOWN UPDATE

Background

An overview of the H-GAC spend down policy was provided to the Board by Chuck Wemple during the August 2024 board.

Current Situation

Staff will be providing an update on the spend down process for transportation contracts.

Funding Source

Not Applicable

Budgeted

Not Applicable

Action Requested

No action required. For information Only. (Staff Contact: Christina Ordonez-Campos)

BANKING SERVICES CONTRACT

Background

J. P. Morgan Chase Bank has been H-GAC's depository bank for several years. In an effort to provide transparency, to follow GFOA's best practices and to achieve the highest return on investment for H-GAC, it was determined that an RFP should be solicited.

Current Situation

H-GAC issued a competitive, sealed solicitation to solicit qualified contractors for the goods or services requested under FI-BS-12-24 on December 11, 2024, and which closed on January 30, 2025. Three (3) responsive submissions were received and thoroughly evaluated by a committee of representatives from H-GAC. The Evaluation Criteria is: 1. Experience/Qualifications, 2. Services Offered, 3. Pricing, and 4. Past Performance and References. Based on the committee's scoring and evaluation of the proposal responses, the recommendation and rankings are presented below:

- | | |
|-------------------------------|-------|
| 1. JP Morgan Chase Bank, N.A. | 96.5 |
| 2. Texas Capital | 83.33 |
| 3. Plains Capital Bank | 78.17 |

The initial contract term will be one (1) year. H-GAC may, at its option, extend the contract for up to four (4) additional one-year terms.

Funding Source

Fees are taken from interest earned.

Budgeted

Not Applicable

Action Requested

Request authorization to enter into a new contract with J. P. Morgan Chase. (Staff Contact: Gilda Mendoza)

2024 INTERNAL AUDIT REPORT

Background

The Internal Audit Charter requires the Internal Audit department to prepare an annual report of its activities that compares the annual plan with actual results. The H-GAC Internal Audit department consists of eight auditing professionals.

Current Situation

The Director of Internal Audit has prepared the Internal Audit Annual Report for Fiscal Year ending December 2024. The Executive Director has reviewed the annual report and it was submitted to the H-GAC Audit Committee for review and discussion.

The Internal Audit Annual Report is a summary of internal audit activities. The report contains a narrative of staff hours charged to various projects as well as categories of subrecipient/contractor monitoring, regular internal audits, program reviews, follow-up audits, pre-award reviews and special projects and lists of desk reviews and site visits performed during fiscal year. This report was presented and discussed with the members of the H-GAC Audit Committee on March 13, 2025.

Funding Source

N/A

Budgeted

N/A

Action Requested

Discussion and possible action on Audit committee recommendations related to the Internal Audit Annual Report Fiscal Year 2024. (Staff Contact: Charles Hill)

ATTACHMENTS:

	Description	Type
▢	2024 Internal Audit Report	Cover Memo



HOUSTON-GALVESTON AREA COUNCIL
SERVING TODAY ■ PLANNING FOR TOMORROW

January 15, 2025

Chuck Wemple
Executive Director
Houston-Galveston Area Council
3555 Timmons Lane
Houston, Texas 77027

RE: INTERNAL AUDIT ANNUAL REPORT FOR 2024

Dear Mr. Wemple:

Attached is the Internal Audit Annual Report for fiscal year 2024. This report contains the results of activities for the internal audit function at H-GAC. A comparison of the planned projects and allocated hours versus actual hours charged to specific project categories is included in this report.

The internal audit staff adds value to H-GAC operations by fulfilling their responsibilities as an independent review of operational controls, testing compliance with appropriate policies and procedures as well as state and federal regulations and advisory services to managers and directors. The Executive Director should submit this report to the H-GAC Audit Committee and Board of Directors for review and comments. If there are any questions about this report, contact me at (713) 993-4517.

Sincerely,

Charles D. Hill

Charles Hill, CIA, CPA
Director, Internal Audit

cc: Audit Committee Members
Christina Ordonez-Campos, H-GAC Chief Financial Officer
Rick Guerrero, H-GAC Chief Public Affairs Officer

INTERNAL AUDIT ANNUAL REPORT For Fiscal Year Ending 2024

PURPOSE

This annual report was prepared by the Director of Internal Audit at the Houston-Galveston Area Council (H-GAC) to summarize the activities and work completed for the department. The reporting period is from January to December 2024. The completion of this report and its submission to the H-GAC Board of Directors (the Board) is consistent with the H-GAC internal audit charter. The Institute of Internal Auditors Code of Ethics defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

BACKGROUND

The Internal Audit Department at H-GAC has the responsibility to review and evaluate the controls at the agency. In addition, the internal audit staff has responsibility for contractor/subrecipient monitoring. Our staff performs desk reviews of contractors audited annual financial reports, site visits, and on a sample basis CPA firm working papers reviews. All other assignments completed by the department are considered special projects.

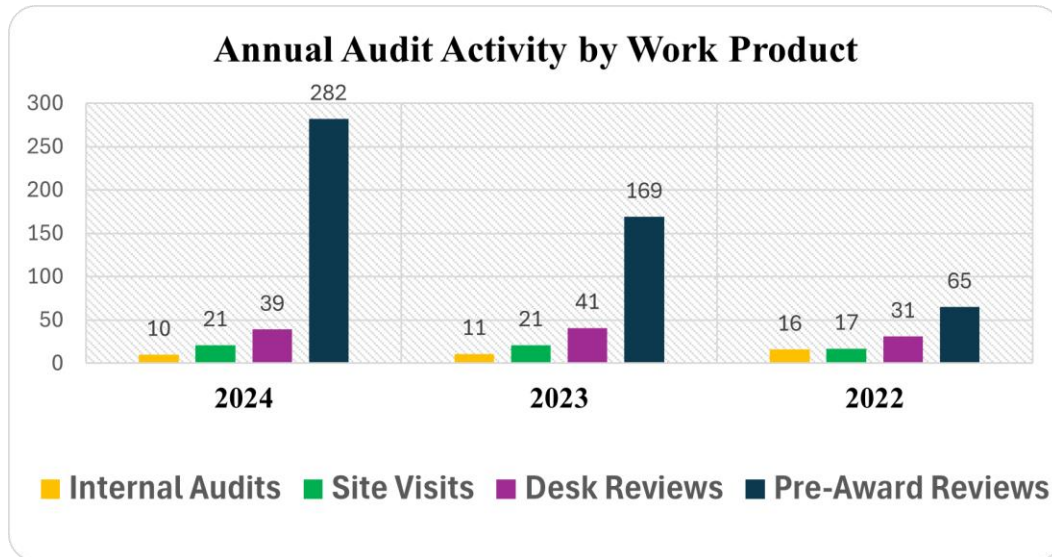
The Internal Audit function at H-GAC consists of a director and seven audit professionals. In addition to a director, the department has two audit supervisors. We anticipate adding more staff positions in the future. The operations of the department conform to standards for the International Practice of Internal Auditing as required by the Institute of Internal Auditors.

Some of the key accomplishments for the 2024 fiscal year are as follows.

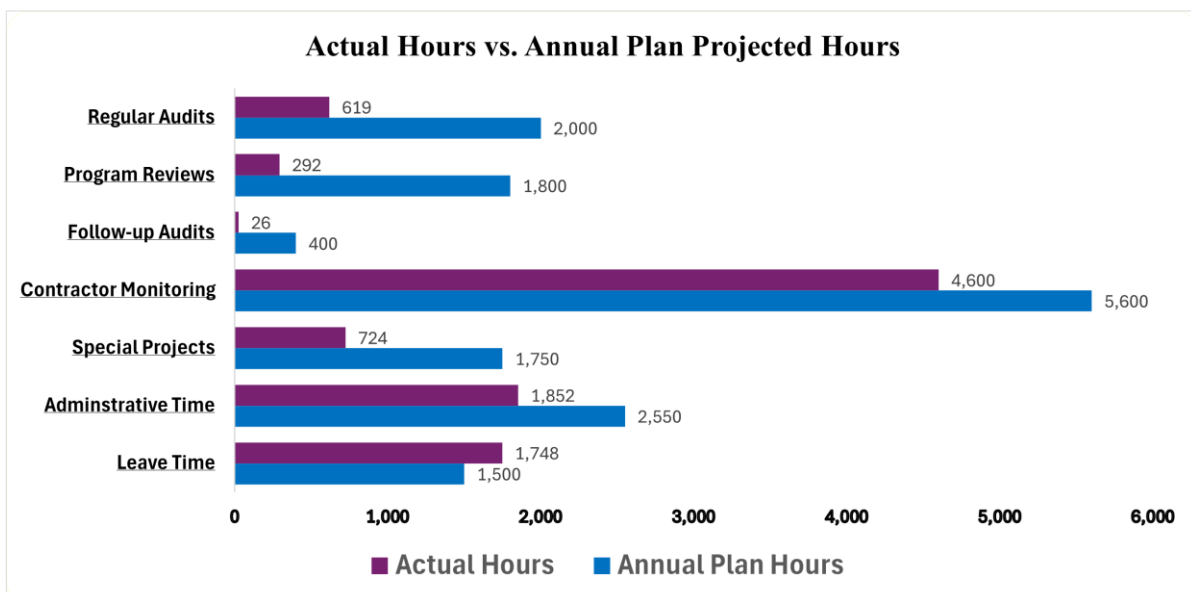
- Development of a Whistleblower Hotline for fiscal year 2024
- Increase in cybersecurity reviews of subrecipients/contractors to limit the external risk of H-GAC.
- Improvements in the pre-award process leading to more efficient review of proposed contracts.
- Agency and subrecipient risk assessments and documentation
- Hiring and recruitment of internal audit staff to do more process reviews.
- Updating written internal audit procedures and methods of reporting

RESULTS OF AUDIT ACTIVITY

The Internal Audit Director completed an internal audit plan for fiscal year 2024, which was approved by the H-GAC Audit Committee as well as the Board. The following is a chart of audit activity by work products for the fiscal years 2024, 2023, and 2022.



The Internal Audit Department allocates staff hours in the 2024 plan based on the number of staff members and the priority of audit areas based on a risk assessment planning model. These hours were divided into seven categories – regular audits, program reviews, follow-up audits, contractor monitoring, special projects, administrative time, and leave time. The following chart and table compare audit plan hours to actual hours used by staff for these categories.



INTERNAL AUDIT ANNUAL REPORT
For Fiscal Year Ending 2024

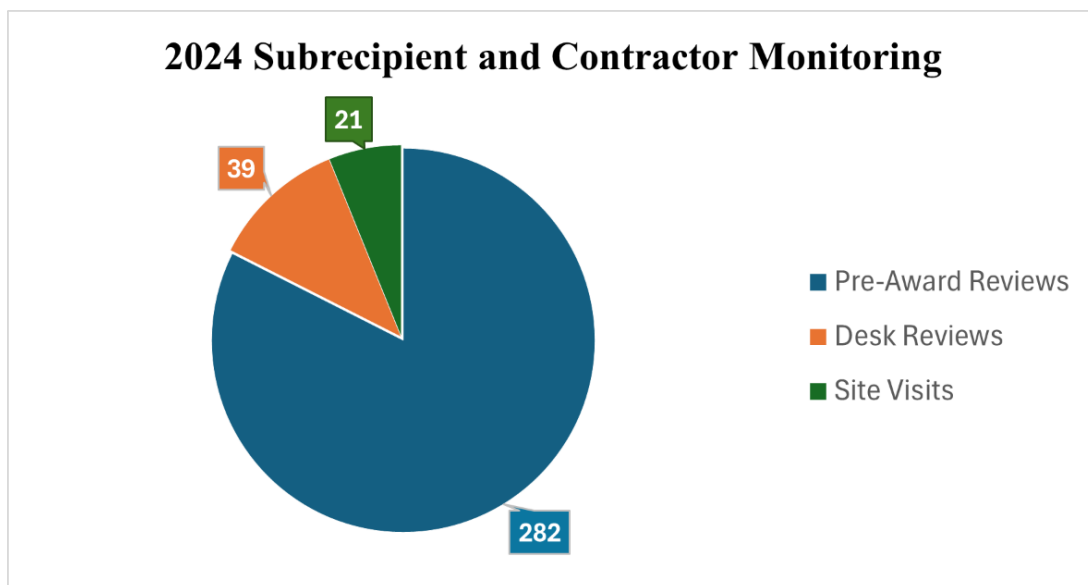
Audit Projects	Plan Hours	Actual Hours
Regular Audits	2,000	619
Program Reviews	1,800	292
Follow-up Audits	400	26
Contractor Monitoring	5,600	4,600
Special Projects	1,750	724
Administrative Time	2,550	1,852
Leave Time	1,500	1,748
Totals	15,600	9,859

The number of hours needed by internal audit staff to complete pre- award reviews of contracts created a major impact on the audit plan. These pre-award reviews included new contracts, renewals, amendments, extensions, and notices to proceed documentation. Internal Audit is in the workflow approval process in the Agiloft contract system to ensure a pre-award is completed before the execution of a contract. There are four types of external agreements submitted to Internal Audit for a pre-award – (1) consultant agreements, (2) goods and services agreements, (3) intergovernmental agreements, and (4) subrecipient agreements. The following table is a summary of the pre- award reviews completed by staff.

Summary of Pre-Award Reviews for 2024						
Type of Agreement	New Contracts	Renewals	Amendments	Extensions	Notice to Proceed	Totals
Subrecipients	37	8	42	0	7	94
Consultants	39	14	13	10	0	76
Goods & Services	17	5	5	0	0	27
Intergovernmental	80	0	3	2	0	85
Totals	173	27	63	12	7	282



The Internal Audit staff performs desk reviews for the annual financial reporting for subrecipients with large amounts of expenditures of federal awards. These reports must conform to federal guidelines and regulations. H-GAC as a “pass-through” entity must obtain these reports and issue an acceptance letter if the reports are completed correctly. In addition, we must determine if the findings in any of these reports will impact H-GAC financial records. The next two pages of this report has (1) a list of the desk reviews completed for 2024 and (2) a list of site visits for 2024.



INTERNAL AUDIT ANNUAL REPORT
For Fiscal Year Ending 2024

List of Desk Reviews for 2024			
	Contractor:	Accepted Without Follow-up	Accepted With Follow-up
1	Adaptive Construction Solutions Inc	X	
2	Adult Reading Center DbA Adult Education Center 2022	X	
3	Aldine ISD	X	
4	Alliance of Community Assistance Ministries Inc	X	
5	Association for the Advancement Of Mexican Americans	X	
6	BakerRipley	X	
7	Brazoria County	X	
8	Brazosport College District	X	
9	Career Team, LLC	X	
10	Catholic Charities of the Archdiocese of Galveston Houston	X	
11	Chinese Community Center Inc	X	
12	City of Bay City	X	
13	City of Eagle Lake	X	
14	City of El Campo	X	
15	City of Houston	X	
16	City of League City	X	
17	City of Palacios	X	
18	City of Pasadena	X	
19	City of Richmond	X	
20	City of Rosenberg	X	
21	College of the Mainland	X	
22	Community Family Centers	X	
23	Cypress Fairbanks ISD	X	
24	Education Service Center Region VI	X	
25	Equus Workforce Services	X	
26	Fort Bend Seniors Meals on Wheels 2023 (DBA: Fort Bend Seniors Meals On Wheels)	X	
27	Harris County	X	
28	Harris County Department of Education	X	
29	Houston Community College	X	
30	Interfaith Ministries For Greater Houston	X	
31	Lone Star College System	X	
32	Matagorda County, Texas	X	
33	Meals On Wheels Montgomery County	X	
34	San Jacinto College District	X	
35	SER Jobs for Progress	X	
36	The University of Texas Health Science Center at Houston	X	
37	Walker County	X	
38	Wharton County, Texas	X	
39	Woodlands Religious Community dba Interfaith of the Woodlands	X	

INTERNAL AUDIT ANNUAL REPORT
For Fiscal Year Ending 2024

List of Site Visits for 2024			
	Contractor	Contract Amount	Site Visit Date
1	ActionS Inc.	\$ 572,509	8/22/2024
2	Catholic Charities Mamie George Community Center	\$ 112,816	8/21/2024
3	Chambers County Hospital District #1	\$ 32,568	9/19/2024
4	Cleveland Senior Citizens Organization	\$ 89,423	9/25/2024
5	Colorado Valley Transit Authority	\$ 106,995	9/4/2024
6	Cypress Fairbanks ISD	\$ 4,433,030	7/2/2024
7	David Quintero	\$ 161,018	7/24/2024
8	Economic Action Committee	\$ 130,986	9/26/2024
9	Fort Bend/Waller Senior Citizens	\$ 1,204,560	9/30/2024
10	G.R.A.C.E. Initiatives of South Liberty County	\$ 49,214	9/4/2024
11	Galveston County (Parks and Cultural Services)	\$ 339,151	8/27/2024
12	Health Solutions Dietetics, LLC	\$ 50,000	12/3/2024
13	Helping One Another	\$ 107,821	9/17/2024
14	Interfaith of the Woodlands [follow-ups]	\$ 18,900,000	3/5/2024 and 8/8/2024
15	Kevin Bellard	\$ 141,425	10/29/2024
16	Montgomery County Committee on Aging	\$ 42,717	8/26/2024
17	Port of Houston Authority	\$ 72,736	10/22/2024
18	Senior Center of Walker County	\$ 13,618	8/30/2024
19	SerJobs	\$ 1,847,677	3/20/2024
20	United Way of Greater Houston	\$ 2,500,000	3/27/2024
21	Wharton/Colorado County Junior College Colorado County	\$75,076 and \$34,968	9/18/2024

INTERNAL AUDIT ANNUAL REPORT
For Fiscal Year Ending 2024

Page 9 of 9

List of 2024 Projects	
Projects	Status and Comments
Information System Audit	Progressing
Whistleblower Hotline Implementation	Completed
Complaints & Investigations	Ongoing activity – 5 Completed
Subrecipient Risk Assessment	Completed
Risk Management Review	Progressing
Fraud Risk Management	On Hold
Follow-up Activity	Ongoing activity
Desk Reviews	Ongoing activity
Pre-Award Reviews	Ongoing activity
Workforce Contractors	Ongoing activity – Site Visits and Advisory
Updating Audit Procedures	Mostly complete
Recruiting Staff	Need to fill two more positions
Management Advisory	Ongoing activity
External Monitoring/Audits	By TxDot, Whitley Penn & TWC
CPE/Staff Development	Ongoing activity
Human Resources Review	Completed
Procurement Review	Progressing – Completing Fieldwork
Aging Contractors	Ongoing activity – Site Visits and Advisory
Transportation Contractors	Ongoing activity – Site Visits and Advisory
Economic Development Corp Review	Progressing

Charles D. Hill

Charles Hill, CIA, CPA
Director, Internal Audit

Report Date: 1/15/2025
Report Issue Date: 1/21/2025

INTERNAL AUDIT CHARTER REVISED 2025

Background

The Internal Audit Charter was last revised in 2014 to reflect compliance with standards for the professional practice of internal auditing and defined the purpose, authority, responsibilities, scope of activities, and reporting for the internal audit function at H-GAC.

Current Situation

Internal Audit has updated the Charter to reflect current references to standards, e.g., the *Global Standards for the Professional Practice of Internal Auditing*, to reflect current position titles, and to reflect current references to the audit function. The substance of the Charter remains unchanged. A marked-up copy showing revisions and a final document for review, approval, and appropriate signatures are included with this Board item.

Funding Source

N/A

Budgeted

N/A

Action Requested

Acceptance and approval of the revised Internal Audit Charter by the Board. (Staff Contact: Charles Hill)

ATTACHMENTS:

	Description	Type
▢	Red Lined 2014 Internal Audit Charter	Cover Memo
▢	Internal Audit Charter Revised 2025	Cover Memo

HOUSTON-GALVESTON AREA COUNCIL INTERNAL AUDIT CHARTER

PURPOSE

This document defines the scope, authority, and responsibilities of the internal audit function at the Houston-Galveston Area Council (H-GAC). The internal audit function is an independent, objective assurance, and consulting activity designed to add value and improve agency operations. The ~~Office~~ internal audit function will accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

AUTHORITY AND RESPONSIBILITY

The Board of Directors through the Audit Committee and the Executive Director for the agency grant authority to the ~~Director Manager~~ of Internal Audit to plan and carry out a comprehensive and effective internal audit plan. In addition, the ~~Office of Internal~~ Audit function shall have full, free, and unrestricted access to all ~~of the~~ agency's ~~functions, records, property,~~ and personnel in completing reviews. H-GAC personnel will cooperate ~~with internal audit staff~~ and assist with information and/or records requested by internal auditors.

All work performed by the ~~Office of Internal~~ Audit function will be conducted in a professional manner and within the guidelines of the Institute of Internal Auditors (IIA) Professional Practices Framework which includes the Definition of Internal Auditing, the Code of Ethics, and the ~~Global International~~ *Standards for the Professional Practice of Internal Auditing*. Internal Audit work will also be conducted when applicable in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accountability Office's publication *Government Auditing Standards* and the Texas *Grant Management Standards*.

The internal audit staff will not have authority or responsibility over any of the activities or persons that they review, because performing such activities is presumed ~~to impair~~ objectivity. Internal auditors will uphold the principles of integrity, ~~objectivity,~~ confidentiality, and competency. Internal Audit staff will be independent of the activities or operations they review; they will not engage in any activity which would impair their independence.

SCOPE OF ACTIVITIES

The scope of internal auditing shall encompass the examination and evaluation of the agency network of risk management, internal controls, and processes, as designed, and represented by H-GAC management. The Director of Internal Audit, based on professional judgment, shall define the scope of activities on an ongoing basis. Internal Audit activities shall include, but are not limited to:

Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports, and determining the extent of compliance.

Determining the extent to which resources are accounted for and safeguarded against fraud, waste, and abuse, including the review of the economical and efficient use of resources.

Reviewing the reliability and integrity of financial -and operating information and the systems used to identify, measure, classify, and report such information.

Reviewing operations and programs to determine whether results are consistent with established objectives and goals, and whether the operations and programs are carried out as planned.

Site Visits, financial monitoring and pre-award reviews of contractors, and reviews of consultant contracts, and subrecipient monitoring to ensure compliance with their H-GAC contracts, policies, and procedures, as well as federal and state guidelines.

Coordinating, facilitating, and interfacing with all external -auditors -and monitors to ensure efficient and effective reviews of H-GAC operations.

Performing consulting services including advisory and related service activities, the nature and scope of which are agreed upon and which are intended to add value and improve H-GAC's governance, risk management, and control processes without assuming management responsibility.

REPORTING

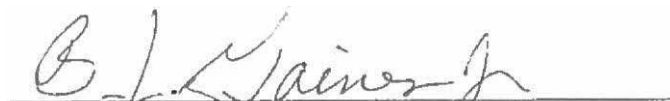
In recognition of the role of internal audit in the management of the H-GAC, the Director of Internal Audit will discuss findings, recommendations, and conclusions with -appropriate levels of management before issuing final audit reports. The respective -manager -will -be -given an opportunity to respond in writing to internal audit recommendations before the Director of Internal Audit issues a final audit report. The Executive Director of H-GAC will be provided a final written report of each internal audit review. The members of the Audit Committee will be given periodic reports and updates on internal audit activities. All internal audit reports, reviews, and site visit reports shall be made available to the Board of Directors upon request.

In circumstances that the Director of Internal Audit believes to be of a particularly sensitive nature, the report distribution may be varied in an appropriate and prudent -manner. -An -annual audit plan and internal audit annual report will be prepared by the Director of Internal Audit and submitted to the Executive Director, the Audit Committee, and the Board of

Directors for H-GAC. The annual audit plan will be subject to approval by the Executive Director, the Audit Committee, and the Board of Directors.

Approved by:


Executive Director


Chairperson of the Audit Committee


Chair, H-GAC Board

Date: _____

HOUSTON-GALVESTON AREA COUNCIL INTERNAL AUDIT CHARTER

PURPOSE

This document defines the scope, authority, and responsibilities of the internal audit function at the Houston-Galveston Area Council (H-GAC). The internal audit function is an independent, objective assurance, and consulting activity designed to add value and improve agency operations. The internal audit function will accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

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The Board of Directors through the Audit Committee and the Executive Director for the agency grant authority to the Director of Internal Audit to plan and carry out a comprehensive and effective internal audit plan. In addition, the Internal Audit function shall have full, free, and unrestricted access to all the agency's functions, records, property, and personnel in completing reviews. H-GAC personnel will cooperate with internal audit staff and assist with information and/or records requested by internal auditors.

All work performed by the internal audit function will be conducted in a professional manner and within the guidelines of the Institute of Internal Auditors (IIA) Professional Practices Framework which includes the Definition of Internal Auditing, the Code of Ethics, and the *Global Standards for the Professional Practice of Internal Auditing*. Internal Audit work will also be conducted when applicable in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accountability Office's publication *Government Auditing Standards* and the Texas *Grant Management Standards*.

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Determining the extent to which resources are accounted for and safeguarded against fraud, waste, and abuse, including the review of the economical and efficient use of resources.

Reviewing the reliability and integrity of financial and operating information and the systems used to identify, measure, classify, and report such information.

Reviewing operations and programs to determine whether results are consistent with established objectives and goals, and whether the operations and programs are carried out as planned.

Site Visits, financial monitoring and pre-award reviews of contractors, and reviews of consultant contracts, and subrecipient monitoring to ensure compliance with their H-GAC contracts, policies, and procedures, as well as federal and state guidelines.

Coordinating, facilitating, and interfacing with all external auditors and monitors to ensure efficient and effective reviews of HGAC operations.

Performing consulting services including advisory and related service activities, the nature and scope of which are agreed upon and which are intended to add value and improve H-GAC's governance, risk management, and control processes without assuming management responsibility.

REPORTING

In recognition of the role of internal audit in the management of the H-GAC, the Director of Internal Audit will discuss findings, recommendations, and conclusions with appropriate levels of management before issuing final audit reports. The respective manager will be given an opportunity to respond in writing to internal audit recommendations before the Director of Internal Audit issues a final audit report. The Executive Director of H-GAC will be provided a final written report of each internal audit review. The members of the Audit Committee will be given periodic reports and updates on internal audit activities. All internal audit reports, reviews, and site visit reports shall be made available to the Board of Directors upon request.

In circumstances that the Director of Internal Audit believes to be of a particularly sensitive nature, the report distribution may be varied in an appropriate and prudent manner. An annual audit plan and internal audit annual report will be prepared by the Director of Internal Audit and submitted to the Executive Director, the Audit Committee, and the Board of

Directors for H-GAC. The annual audit plan will be subject to approval by the Executive Director, the Audit Committee, and the Board of Directors.

Approved by:

Executive Director

Audit Committee Chair

Board of Directors Chair

Date

EXECUTIVE DIRECTOR'S REPORT

Background

N/A

Current Situation

N/A

Funding Source

N/A

Budgeted

N/A

Action Requested

Report on current and upcoming H-GAC activities. (Staff Contact: Chuck Wemple)