

INTERACTIVE EXERCISE

Course 76: Sales Compensation and Expense Allowances

We'll begin by opening ERI's **Relocation Assessor**.

Make sure the **Two City Comparison** tab is selected. Adjust for your employee's home office location by entering "Albany, New York" in the *Base Location* field.

Enter the first travel destination, "London, United Kingdom," in the *Destination Location* field.

Now you can compare the per diem costs of the two cities. In London they are around \$300 more for lodging, and \$90 more for meals. These per diem values are not dependent upon any other variables.


VocExperts ▾
Help ▾

Relocation Assessor

Two City Comparison

COL Table By Earnings

Estimated Per Diems

City Reports

Maps

Options ↺

Saved Criteria
-- Select Saved Criteria -- ▾

Save
Delete

Name

Earnings

Base Location
 🔍

Browse

Base Currency
United States Dollars

Browse

Destination Location
 🔍

Browse

Destination Currency
United States Dollars

Browse

Housing
☐ Own ☒ Rent

Sq. Ft.: ↺

Family Size: ↺

Two City Cost Comparison

↺ Reset to Default
Edit Values

	Base City: Albany, New York United States Dollars	Destination City: London, United Kingdom United States Dollars	Differentials: United States Dollars
Consumables	32,366	49,165	16,799
Transportation	25,426	51,247	25,821
Health Services	3,672	4,867	1,195
Rent/Utilities/Insurance	27,409	69,228	41,819
Income+Payroll Taxes	36,432	34,944	-1,488
Miscellaneous	34,695	34,695	0
Total Cost-of-Living	160,000	244,146	84,146
COL % of Base City	100%	152.6%	52.6%
COL % of U.S. Average	101.9%	155.5%	
Monthly Rent	2,085	5,440	3,355
Per Diem Lodging	117	424	307
Per Diem Food/Other	86	174	88

To compare multiple cities, there is an easier way. Press the **Estimated Per Diems** tab near the top of the screen. This opens the *Estimated Per Diems* module. You can enter the cities by selecting *Add Location*. This launches the *Browse Areas* box.

Note that under *Options*, "United States Dollars" has been selected to be the displayed currency.

Relocation Assessor

Two City Comparison COL Table By Earnings **Estimated Per Diems** City Reports Maps Data as of

Options

Currency
United States Dollars

Browse

List Settings
Save Load

Estimated Per Diems

List of Cities **Add Location** My Areas

#	Comparison Cities	Lodging	Food/Other	Lodging Shortfall	Food/Other Shortfall
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To select a city, begin typing the city, and the state or country, if necessary, in the *Area Name* field. When you see the city highlighted in the list, press the **OK** button.

Browse Areas

ERI Areas Radius Search User-Defined Averages Browse By Region Internal Areas

Area Name
London, Un

Postal Code ?
Type Postal Code

Filters
All Areas

Select Area

Area Name
London Greater Area - Administrative Area Average
London, Kentucky
London, Ohio
London, Ontario
London, United Kingdom
London-Stoneybrook, Ontario
London-University Heights, Ontario
London-Westmount, Ontario
Londonderry, New Hampshire
Lone Jack, Missouri
Lone Tree, Colorado
Long Beach, California
Long Beach, Mississippi
Long Beach, New York

1 of 10600 areas have been selected.

Cancel OK

Using *Add Location*, continue to fill the *Estimated Per Diems* table with these cities: Los Angeles, California; Boston, Massachusetts; Tokyo, Japan; Albany, New York. Your per diem table is now complete and you can view the recommended U.S. government allowances for *Lodging* and *Food/Other* for the five cities. Note that there is a *Lodging Shortfall* analysis. *Lodging Shortfall* displays any additional amount that ERI has determined should be provided when the standard federal government rate is too conservative.

In reviewing this data, you find that the Albany, New York, per diem rates of \$117 and \$86 (for lodging and food/other respectively) are significantly lower than for all the destination cities. You will need to raise the employee per diems accordingly.

Two City Comparison	COL Table By Earnings	Estimated Per Diems	City Reports	Maps	Data as of
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Estimated Per Diems

List of Cities

Add Location

My Areas

#	Comparison Cities	Lodging	Food/Other	Lodging Shortfall	Food/Other Shortfall
1	Albany, New York	117	86		
2	Tokyo, Japan	375	130		
3	Boston, Massachusetts	209	92	35	
4	Los Angeles, California	191	86	40	
5	London, United Kingdom	424	174		

This concludes the tutorial portion of this exercise. Please close this window, then press the **Next** button at the bottom of the *Problem Statement* page to continue.