

SECTION 400.06

TRAVEL

LRSC will comply with NDUS Procedure 806.1, SBHE Policy 806.1, OMB Policies 502-521, NDCC Chapter 44-08, and NDCC Chapter 54-06. These policies and procedures provide for reimbursement of employee, non-employee, and students expenses incurred while attending business on behalf of Lake Region State College.

Requests for travel expense reimbursement will be submitted using the Expense Report in the PeopleSoft Finance Travel and Expense module. Requests for travel expense reimbursement for non-employees and students will be submitted using the Voucher Payment form.

All travel requires supervisor approval. This approval is evidenced by the supervisor's approval of the Expense Report (employees) or the Voucher Payment form (non-employees and students). International travel requests must be approved in writing by the President no less than ten days prior to the departure date.

1. Mileage

Employees should use a state fleet vehicle whenever possible. If a state fleet vehicle is available, but the employee chooses to use a privately-owned vehicle (POV), mileage reimbursement will be at the rate in effect at the time of travel for the Sedan/Wagon vehicle category listed on the North Dakota Department of Transportation State Fleet Services Rental Rates schedule.

For special circumstances listed below, and with preapproval from the supervisor, the reimbursement rate will be the POV mileage reimbursement rate established by the U.S. General Services Administration (GSA). The justification for the approval must be included with the employee's travel expense reimbursement request.

- a. A request for a State Fleet vehicle was received at least one week prior to the planned travel date and it was determined by Lake Region State College that no State Fleet vehicle would be available, or
- b. Lake Region State College has determined that the provision of a State Fleet vehicle is not generally feasible where the employee is physically located, or
- c. Permission has been granted by the employee's supervisor due to unique circumstances.

When a POV is used, miles to and from the destination city, plus 5 miles per day, will be the only reimbursable miles.

When an employee drives a state fleet vehicle, the State's liability coverage is primary, should an accident occur. If an employee drives a personal vehicle on state business, the employee's personal insurance is primary. If an employee must drive a personal vehicle because no state fleet vehicles are available, then the State would have primary responsibility.

Where more than one state employee travels in the same POV, only one claim may be made for mileage reimbursement. That claim must be made by the owner or lessee of the car.

Mileage allowances are assumed to be total operating costs for vehicles. No additional amounts will be reimbursed to employees for personal items such as traffic or parking tickets, vehicle repairs, or any other normal recurring automobile expenses.

2. Meals

Meal reimbursement is allowed if the travel is for four hours or more or if overnight travel is required. Meal reimbursement will be at the per diem rate in effect at the time of travel established by NDCC Chapter 44-08-04 and OMB Policy 505. Receipts are not required if the employee is receiving the per-diem meal rate.

Per diem rates are determined by quarters of a day. Employees will not be reimbursed for the first quarter if travel begins after 7am. To claim expenses for the second and third quarters, the employee must have been in travel status one hour before the start of the quarter being claimed, and travel status must extend at least one hour into the quarter being claimed.

- a. Breakfast, 1st Quarter – 6am to 12pm, must be in travel by 7am
- b. Lunch, 2nd Quarter – 12pm to 6pm, must be in travel by 11am and return no earlier than 1pm
- c. Dinner, 3rd Quarter – 6pm to 12am, must be in travel by 5pm and return no earlier than 7pm

Per IRS publication 5137, section 98, the meal reimbursement is taxable if the employee is not on an overnight trip. The employee will receive the full meal reimbursement, and the taxes will be withheld through the payroll system during the next payroll cycle.

If meals are included as part of a registration fee and the employee personally paid for the registration fee, the employee should be reimbursed for the entire registration fee. The employee will then not be able to claim the per diem reimbursement for that meal.

Employees may not claim per diem for the first quarter when a complimentary breakfast is provided as part of a meeting, conference, or hotel stay. Whenever practical, employees should choose a hotel that provides a complimentary breakfast.

3. Lodging

Employees should use a purchasing card to purchase lodging whenever possible. Receipts are required for all lodging expenses.

In-State Lodging: The maximum allowable lodging expense is the GSA rate for lodging in North Dakota plus applicable state and local taxes. The GSA will update their rates periodically during the biennium and the maximum amount that can be reimbursed to an employee will also change at that time.

If GSA rate is not available, employees must provide documentation of three lodging quotes from hotels in the area. This documentation should occur prior to the travel occurring and should include the name and address of the hotels contacted, the dates and times of contact, and the quoted rate. If the employee does not provide documentation of three lodging quotes, they will be personally responsible for paying the difference between the GSA rate and the actual cost incurred.

Out-of-State Lodging: The maximum allowable housing expense is the actual lodging expense.

When two or more state employees share lodging accommodations, the actual cost of the room must be split evenly, and each must have a separate receipt.

When a state employee is accompanied by an individual not eligible for reimbursement (a spouse or traveling companion), the state employee must have the lodging establishment clearly certify the room rate for a single person and only that amount may be claimed.

4. Air Travel

Employees should use a purchasing card to purchase airline tickets whenever possible. Receipts are required for all air travel expenses. Employees are expected to choose the least costly airfare that meets the business needs of the institution. Frequent flyer miles, coupons, or credits that are used to purchase an airline ticket will not be reimbursed as they are not considered part of the actual cost of the flight. LRSC will reimburse for the first piece of luggage. A fee for a second piece of luggage is only reimbursed with written approval from the supervisor, such as equipment required to be transported when presenting at a conference.

5. Car Rental

Car rentals are discouraged unless their cost effectiveness is self-evident. LRSC will pay for car rental if the use of the vehicle is sufficient to justify that mode of travel. OMB Policy 518 details the procedures for car rental, including the requirement of using a state contract that includes insurance and damage waiver as part of the base rental rate. Exceptions to this requirement are also detailed in the policy. Additional insurance is not reimbursed.

6. Travel Advances

Employees may receive advance payment of meal and lodging expenses if such travel is more than five days per month, whether or not consecutive. The funds advanced cannot exceed eighty percent of estimated expenses for the period. If travel advance is needed, written approval from the supervisor must be received at least ten days prior to the departure date. Advances cannot be distributed more than thirty days before the travel commences. Any excess funds remaining from a travel advance must be returned to LRSC within sixty days of the trip end date. Excess funds that are not returned within sixty days will be considered taxable.

7. Miscellaneous Travel Expenses

Reimbursement may be requested for such necessary miscellaneous travel expenses as registration fees, car rental, gas for car rental, rideshare fare, taxi fare, tips (not to exceed \$5 per tip), toll fees, business telephone calls, parking fees and up to \$5.00 per day for personal telephone calls while in travel status. All miscellaneous travel expenses claimed for reimbursement must be individually with a detailed explanation. Receipts are required for all individual miscellaneous travel expenses exceeding \$10.00. Examples of non-reimbursable expenses include food and drink, entertainment, late check-out charges, laundry, and parking tickets or other traffic tickets.

8. Duplicate Travel Expenses

LRSC will compare lodging, food, and airline transactions from the purchasing card each month and review against employee expense reports to monitor for duplicate travel-related expenses.

9. IRS Regulations

For reimbursement requests to be considered as nontaxable, the reimbursement requests must be submitted with appropriate documentation no later than sixty days of the trip end date, or no later than sixty days after the completion of the expense transaction if it did not involve travel. LRSC must report as taxable income on the employee's W-2 form, any expenses that are not substantiated and remitted within this established deadline. Reimbursements paid to a non-employee that were not submitted by the non-employee within the established deadline will be reported as taxable income on IRS Form 1099. In rare circumstances, there may be reimbursements which cannot meet the requirements for timely submission. Exceptions to this policy are rare and require the written approval of Vice President of Administrative Affairs. The rationale for determining approval of the request must be documented in writing and retained with the reimbursement request. Examples of extenuating circumstances include but are not limited to a serious illness or another unforeseen emergency outside the control of the employee. Employee negligence is not an extenuating circumstance.

History

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