# Statewide Travel Policy: 2013 Update Highlights

## Effective Date:

- TeamWorks Travel & Expense System (TTE) Users: July 1, 2013
- Non-TTE System Users: July 1, 2013

## Special Note:

The *Statewide Travel Policy* should be reviewed in its entirety in order to obtain a complete understanding of the relevant subject areas. This document provides only certain *highlights* and does NOT provide a detailed account of every change or clarification made within the Policy. Some verbiage within the Policy was amended and/or consolidated to create greater clarity, which also resulted in some renumbering of the sub-sections. You can access the *Statewide Travel Policy* on the SAO website at http://sao.georgia.gov/state-travel-policy.

## Policies Applying To All Travel Expenses

**Section D., Internal Revenue Service Requirements:** The IRS requirements regarding travel advances and reimbursements, as they relate to an employee's taxable income and the State's "Accountable Plan," have been further clarified. (Also, see Section 7.2.)

- State policy requires that travelers submit expenses via the TTE system (or via manual expense reimbursement forms if not using the TTE system) substantiating the amount, date, use and business purpose of expenses, ideally within 10 days, but **no later than 45 calendar days** after completion of the trip or event. Expenses submitted in excess of 60 calendar days may not be reimbursed. (See Section 7.2 for further guidance.) Expenses submitted more than 60 calendar days after completion of the trip or event, if reimbursed, should be included in the traveler's IRS Form W-2 as taxable income.

- State policy requires that travel expenses associated with advances must be reconciled and substantiated (submitted) within the TTE system as soon as possible, but **no later than 45 calendar days** after completion of the trip or event. Any portion of an advance that was not used must be returned to the State, via check, within this same timeframe.

  Travel expenses, related to an advance, which are substantiated (submitted) more than 60 days after the conclusion of the travel or event should be included in the traveler's IRS Form W-2 as taxable income.

  Advance amounts in excess of substantiated travel expenses that are not returned to

the State within 120 days after the trip should also be included in the traveler's IRS Form W-2 as taxable income. (See Section 6.4 for further guidance.)

- Travel advances and expense reports submitted through TTE can be systematically monitored; reports will be available to TTE agencies via COGNOS Reporting to help you ensure IRS reporting requirements are being handled properly and timely. Non-TTE agencies are responsible for implementing internal monitoring processes to ensure compliance with these IRS regulations.

## Section One: Airline Travel

**Section 1.2, Lowest Logical Airfare**: The Policy was amended and consolidated to *emphasize* and support the overall guidance of the opening paragraph for choosing, booking and/or approving the appropriate airfare:

- Travelers on State business should *always* select the lowest priced airfare that meets their approved, most logical itinerary and State Policy. Travelers are expected to use their best judgment to save on airfare cost, considering points of departure and destination, flight times and schedules, etc.

*This Office strongly encourages use of lowest logical airfares.* All subsequent guidance within this section should be read and interpreted with this opening statement in mind.

**Section 1.5, Advance Booking**: In order to help manage agency cash flow and risk, as well as take advantage of best airfares, the Policy was amended to clarify the recommended time period for booking flights.

**Section 1.10, Baggage Charges**: Due to recent changes within most airlines related to baggage checking policies and fees, the Policy was amended to clarify the reimbursement policy for the first and additional pieces of luggage, as well as excess luggage weight charges.

## Section Two: Ground Transportation and Car Rental

**Section 2.2, Car Rental**: The Policy is amended to provide clarification regarding the decision points between using a temporary fleet vehicle, a rental car, or the employee's personal vehicle.

- Employees traveling on State business must use a temporary fleet vehicle, if available, unless the employee's supervisor determines and provides in writing, in advance of travel, that use of a temporary fleet vehicle is clearly not the most efficient method of travel.

- If a temporary fleet vehicle is not available, state employees must choose the least expensive option between a rental vehicle or mileage reimbursement for use of their personal vehicle. Rental Cars should be used when it is determined that it is the most economical form of transportation. To determine the most cost effective means of ground transportation, refer to the car rental cost calculator form. The State has a mandatory statewide contract with specified car rental vendors. These vendors and car rental rates can be located on the Department of Administrative Services (DOAS) website.

Further Policy details are provided regarding rental vehicle usage, insurance, and reimbursement.

**Section 2.3, Personal Automobile**: The Policy provides that "normal commuting miles" should still be calculated as the direct mileage from the employee's Residence to his Primary Work Station, even if using state-sponsored transportation alternatives (e.g., MARTA), when determining mileage reimbursement.

Additionally, the Policy emphasizes that any reimbursement of mileage claims paid to an employee in excess of Tier 2 versus Tier 1 rates must be refunded to the State, or characterized as taxable compensation to the employee.

## Section Three: Lodging

**Section 3.3, Special Discount Rates and Tax Exemptions:** The Policy was updated to provide further clarification and guidance regarding adherence to the legislatively mandated "occupancy" tax exemption, as well as eligibility requirements for exemption from State of Georgia Sales Tax.

The Hotel Exemption Occupancy Form has been updated on the SAO Travel website to better assist travelers with these requirements.

**Section 3.5, Conference Lodging**: This section was added to provide guidance for booking and requesting reimbursement for scheduled seminar and/or conference lodging.

## Section Four: Meals and Incidental Travel Expenses

**Section 4.1, General:** The Policy was amended to make reimbursement for meals (per diem) consistent, whether traveling in-state or out-of-state. This change removes the $5 incidentals reimbursement formerly included in Out-of-State Per Diem.

In general, actual incidental expenses are reimbursed separately for *both* in-state and out-of-state travel. In addition, incidental expenses are now better defined in this section.

For international travel, meals and certain incidental travel expenses are reimbursable on a per diem basis, based upon GSA rates for a given location. See Appendix B of the Policy for further guidance on International Travel.

**Section 4.4, Meal Per Diem during OVERNIGHT Travel**: The Policy was amended to change the calculation of total per diem reimbursement allowable when a meal is provided on the day of departure and/or return. The full meals per diem reimbursement rate is now reduced by the amount of the provided meal(s) *before* the 75% proration.

**Section 4.5, Meal Per Diem During NON-OVERNIGHT Travel:** Meal per diem was amended for *Non-Overnight* travel to remove the 75% reimbursement restriction. When eligibility requirements are met, an employee may receive 100% of the meal per diem for single day travel:

> *Employees on State business who travel more than 50 miles from their Residence and Primary Work Station on a work assignment, AND are away for more than twelve (12) hours, may receive the total day's per diem rate, even when there is no overnight lodging. The per diem allowance must, however, be adjusted for any meals provided to the traveler.*

## Section Five: Miscellaneous Travel Expenses

Updates, clarifications and examples were provided for specific reimbursable and non-reimbursable travel expenses. International travelers should also refer to Appendix B of the Policy for further guidance.

## Section Six: Payment Methods

**Section 6.3, Travel Advances:** State law charges the Director of OPB with the responsibility for developing the necessary rules, regulations and procedures to govern travel advances. All guidance related to the authorization and payment of travel advances to employees, including continuous (multiple) travel advances, has been moved to *OPB Policy Memorandum No. 1 (Revision 5, May 2013)*.

## Section Seven: Reimbursement for Travel Expenses

**Section 7.2 Expense Reimbursement Timing:** Additional clarification regarding IRS regulations for reporting un-submitted and/or untimely expense reports and un-submitted and/or untimely expense reports with travel advances is provided.

## Appendix A: Mileage Reimbursement Examples

This appendix was rewritten to provide a better understanding of when a traveler's personal vehicle mileage is reimbursable as transportation expenses, versus when it is considered personal commuting mileage which is not reimbursable.

> *Round-trip mileage between your Residence and your Primary Work Station is personal commuting expense and is not eligible for travel reimbursement.*

Definitions are provided for *Residence*, *Primary Work Station, Temporary Work Station*, *Telework*, and *Route or Territory Travel* to further clarify State Policy. Quick and comprehensive examples of reimbursable mileage are provided.

## Appendix B: International Travel

This appendix has been updated to provide more detailed examples of allowable reimbursable expenses during international travel. Clarification is provided with respect to Meals & Incidentals Reimbursement.

## Appendix D: Definitions

Various definitions have been updated and/or amended. The definition of "Travel Status" has been re-written.