

Mecklenburg County
ABC Board
Travel Policy

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TRAVEL POLICY

A. Overview

The purpose of this policy is to provide guidelines and establish procedures regarding reimbursement of expenses for those ABC Board employees incurring expenses when performing official ABC Board business away from the office. These expenses may arise when traveling out of town, overnight or on a day trip, where the individual returns home at night. The ABC Board assumes no obligation to reimburse any expenses that are not in compliance with this policy. To be consistent with federal guidelines, whether an expense is reimbursable is determined by the situation in which it is incurred. The rules for expense reimbursement may be different depending upon whether the individual is out of town, overnight or only away from the office, out of the County during the day, returning to his/her home in the evening. Therefore, this policy has two sections: Out of Town, Overnight Travel and Day Trips. Each section defines the expenses that are reimbursable for each type of business activity.

B. Statutory References/Authority

Reference

Internal Revenue Code Section 62	Subject
Internal Revenue Service Publication 463	Accountable Plans
Internal Revenue Services Publication 1542	Travel, Entertainment and Car Expenses
And Code Section 302	Federal Authorized Per Diem Rates
N.C. General Statutes Section 159	Disbursement Requirements

C. Significant Policies

The policy has been prepared to meet the Internal Revenue Service (IRS) requirements of an Accountable Plan, thereby allowing the reimbursement of travel related expenses as not taxable to the traveler.

For travel expenditures to meet the IRS requirements for reimbursement, the expenditures must be ordinary and necessary for the work requiring the travel. The documentation requirements of this policy have been established to meet the guidelines required by the IRS.

Provide clear and consistent understanding of the Board's definition of business related expenditures to employees who travel so that expenditures incurred while executing official ABC Board business when out of town or on a day trip may be reimbursed.

Provide the traveler conducting official ABC Board business with a reasonable level of comfort at a reasonably low cost to the ABC Board.

Reimbursement of travel expenditures to the employee is contingent upon the availability of funds in the budgets of the respective departments and upon submission of all appropriate documentation and receipts. Travel expenditures incurred in connection with, or under, a grant will be reimbursed in accordance with this policy, except where the grant requirements are more restrictive.

D. Responsibilities

For this policy to function effectively, there are certain responsibilities that the individuals who use the policy must assume:

- Out of town, overnight travel related to conducting ABC Board business or attending a seminar is a privilege and not a right. Therefore, the traveler should exercise good judgment when incurring travel expenses and use ABC Board funds prudently.
- The traveler is expected to neither lose nor gain financially when out-of-town overnight conducting official ABC Board business.
- Departments are required to provide the ABC Board's Finance Department with a Travel Authorization Form. Copies of all forms will be maintained by the Finance Department. Each time an authorization change is necessary, departments must re-submit an updated form with the appropriate signatures to the Finance Department.
- Department Directors should ensure that individuals traveling on behalf of the ABC Board are aware of, and will abide by, this policy and the related procedures.

The C.E.O. or the Department Director requesting approval for the travel should ensure that: 1) the trip is necessary; 2) business value will be derived from it; 3) funds are available in the budget account identified; and 4) expenses charged by the traveler are reasonable and reported accurately.

Travelers are expected to submit the completed Travel Expense Report within ten days of the end of the trip and to repay any excess advance at that time.

The ABC Board's Finance Department will reimburse travel expenses that have been approved as reasonable, are appropriately documented, and are within the guidelines of this policy.

The ABC Board's Finance Department will review various travel transactions for compliance with this policy and any related grant awards as part of a normal department audit process.

E. OUT OF TOWN, OVERNIGHT TRAVEL

1. Authorization

All travel related to ABC Board business must be authorized in advance by the C.E.O.. The purpose of the authorization is to assure that the trip has a bona fide business purpose and that budgeted funds are available to meet this and other department travel commitments.

Requests for travel must be submitted using the authorization portion of the Travel Expense Report.

The authorization portion of the Travel Expense Report must be sent to Finance no less than ten (10) business days prior to the expected departure date. The authorization should include estimates for all trip related costs. Direct payments for registration, hotel, or an advance, if requested, will be prepared in Finance based upon receipt of the authorization portion of the Travel Expense Report.

2. Transportation

Transportation expenditures, as described below, may be paid directly by the ABC Board for the employee who will be traveling or the expenditure may be paid by the traveler and reimbursed to the traveler when the appropriate documentation is provided.

a) Air Travel

Air travel should be arranged and tickets purchased only after receiving approval for the trip from the Department Director or designee. Airline flights must be booked at no more than the coach fare rate. When a traveler purchases an airline ticket with restrictions and then makes changes to the ticket, such as to return at a different time or on a different day, the fee for the ticket change is reimbursable only if the change is business related. Changes for personal reasons, such as to stay longer for sightseeing/vacationing are the responsibility of the traveler. The traveler may book an airline ticket that includes an extended stay-over or early departure but the cost of the extra days is the responsibility of the individual. Airline tickets not purchased via the Board's administrative staff will only be reimbursed after the completion of the trip, when the expenditure is reported on the Travel Expense Report and the ticket receipt is provided to support the expenditure.

Unused Tickets - In the event a ticket purchased is not used, the traveler must hand deliver the ticket to the C.E.O. or designee promptly upon canceling the trip. Departments should hold unused tickets in a secure location to prevent loss or theft. Airline tickets purchased by an employee and not used are not eligible for reimbursement.

Frequent Flyer Miles - Travelers may retain frequent flyer program benefits. However, participation in these programs must not influence flight selections which would result in incremental cost to the ABC Board beyond the coach fare rate.

Receipt - The traveler should retain the E-ticket copy, internet receipt, or boarding pass to attach to the Travel Expense Reimbursement Form to show that the expenditure was actually incurred.

Additional Charges - Additional airline charges, such as baggage or seat assignment, are reimbursable provided the traveler retains the receipt for the charge and reports the amount on the Travel Expense Reimbursement Form and attaches the receipts.

b) Rental Cars

Travelers should use a rental car only when other transportation is not available or when such use for ABC Board business results in a cost savings. Rental vehicles may also be used on trips where more than one individual is traveling on the same trip and the use of the rental vehicle would result in a cost savings to the Board. Vehicles rented for recreational or non-ABC Board business while out-of-town, overnight will not be reimbursed. Reimbursement of rental car expense requires submission of the rental car agreement/receipt.

c) ABC Board Owned Vehicles

ABC Board owned vehicles may be used for out of town, overnight travel. Reimbursement is authorized for out of pocket gas and emergency repairs only, based on submission of receipts for the expenses incurred. Spouses or family members may accompany the traveler when an ABC Board owned vehicle is used for out of town, overnight travel, but the employee must be the only driver. Employee must be authorized to drive ABC Board owned vehicles.

d) Personal Vehicles

Travelers may use their personal vehicles for an out of town, overnight trip. It is the responsibility of the owner of a vehicle being used for ABC Board business to have customary automobile liability insurance coverage including medical payments, for their own protection and that of their passengers, comprehensive and collision coverage for their own protection. If the traveler drives a personal vehicle, his insurance policy covers vehicle damage and any expenses incurred in an accident.

The ABC Board will reimburse mileage incurred when driving a personal vehicle at the IRS rate calculated on the actual miles traveled. The mileage rate covers all transportation and operating costs of the vehicle, including gas. Department Directors will be notified of any change in the mileage reimbursement rate.

The Board/C.E.O. may determine a preference for using ABC Board cars over personal vehicles.

Reimbursement will be made for tolls and parking fees incurred while out of town, overnight conducting ABC Board business. Amounts must be reported on the Travel Expense Report and the receipts must be attached. If the traveler chooses to drive a personal vehicle instead of flying to a destination, reimbursement for the use of the personal vehicle (including any additional lodging costs, meal and incidental expenses and parking necessitated by this mode of travel) shall not exceed the coach airfare rate to the destination plus any additional costs that would have been incurred as a result of air travel.

THE ABC BOARD WILL NOT REIMBURSE TRAVELERS FOR PARKING TICKETS, FINES FOR MOVING VIOLATIONS OR VEHICLE TOWING CHARGES.

e) Trains, Buses and Taxis

Ground transportation includes trains, airport shuttles, buses, and taxis and is authorized when incurred while out of town, overnight on ABC Board business. Ground transportation includes travel to/from the airport and hotel, travel to/from hotel and location of business/conference/meeting, and travel to/from hotel and restaurant. Original receipts must be submitted for all train and bus travel, all airport shuttle fares, and any taxi fares.

3. Lodging

Reimbursement of hotel/motel costs shall be for the traveler only, at the actual cost of the lodging.

Travelers are expected to use good judgment and fiscal prudence when making reservations. It is recommended that when attending conferences and conventions, travelers should use the discounted hotel rates offered by the conference organizers for conference attendees. Whenever possible, travelers should utilize discounts available to them, such as the government employee rate offered by many hotels. Reimbursement of lodging will be based upon submission of the official hotel receipt showing a zero balance due.

Normally, reservations made with a credit card will guarantee a late arrival. Travelers may request a direct payment of one night's lodging as a deposit to the hotel if the employee does not have a credit card. If the traveler cancels the reservation, it is the traveler's responsibility to ensure that the room reservation is cancelled in compliance with the cancellation terms established by the hotel, and obtain prompt refund of any deposit made by the ABC Board.

4. Meal and Incidental Expenses

The traveler is reimbursed on the IRS per diem basis for meals and incidental expenses. Incidental expenses consist of fees and tips for persons who provide services, such as porters and baggage carriers incurred when traveling out of town, overnight. The IRS Meal & IE per diem rate will be that of the location to which the individual is traveling as listed per the IRS Table of Meal and Incidental Expense Per Diem Rates (IRS Table 4, the column labeled 'M&IE Rate').

Reimbursement will be based upon the traveler reporting the per diem rate for the location to which the individual traveled on the Travel Expense Report. Using a per diem rate establishes a daily amount approved by the IRS and eliminates the need for the traveler to retain and submit receipts for meals.

For the partial day of travel at the beginning and end of the trip, the traveler will be reimbursed 50% of the per diem rate for the location to which they are traveling, regardless of the time of departure or return home from the trip.

5. Registration Fees

Conference or seminar registration fees paid onsite, rather than as a direct payment in advance, will be reimbursed if the traveler reports the payment on the Travel Expense Report and attaches the receipt for the payment to the form.

6. Other Expenses

- Internet Usage-

Hotel internet connection charges related to conducting ABC Board business are reimbursable. The traveler should include the expenditure on the Travel Expense Report, identify the charge and indicate the business purpose on the hotel bill submitted with the Travel Expense Report.

- Miscellaneous items/Other Expenditures –

Travelers may incur other miscellaneous expenditures, such as materials and supplies for a class that are not included in the registration fee, when completing ABC Board business away from the office. These expenditures are reimbursable so long as original receipts are submitted, the expenditures are reported on the Travel Expense Report, and an explanation as to why the items were needed is attached.

7. Travel Advances

The ABC Board allows advance payments to be made related to planned, out of town business travel. Payments may be made in advance for conference, convention and seminar registration, and hotel deposits. Requests for advance payments should be provided to the Finance Department no less than ten (10) business days before the intended departure date. Advances may be made to the traveler no more than ten (10) business days in advance of the departure date. An advance to a traveler will not be made for less than \$50.

8. Other Matters

- Cancellations

In the event of a trip's cancellation, the Finance Department must be notified immediately to avoid the unnecessary payment of any expenses. The traveler must ensure that any hotel or registration reservations are cancelled to avoid billing. If any deposits have been made, such as for a hotel, it is the traveler's responsibility to ensure the deposits are returned promptly to the ABC Board. If an advance has been received, the traveler must reimburse the ABC Board immediately.

- Procurement Cards

Procurement cards are not issued and used for travel.

F. DAYTRIPS

1. Definitions

Day trips are defined to be those activities that require the individual to be out of the County on official ABC Board business for the day or part of the day, and return to his/her personal residence at night.

2. Authorization

Out of County day trip expenses must be authorized in advance by the Department Director responsible for the budget where the expense will be charged. The purpose of the authorization is to assure the necessity and business purpose of the activity and the availability of budget funds.

If a trip involves airfare or if a direct payment, such as registration, is required in advance of the scheduled trip, the traveler must complete, and the Department Director must approve, the authorization portion of the Travel Expense Report. The appropriate supporting documentation for any direct payments must be attached to the authorization Travel Expense Report and the documents must be sent to the Finance Department at least ten (10) business days prior to the trip, so that the needed payments can be made.

3. Transportation

a) Air Travel

If a day trip involves air travel, the procedures outlined for Out of Town, Overnight Travel must be followed.

b) Vehicle

The mode of transportation most frequently used for day trips is the automobile. The following alternatives are available:

1. Use of ABC Board owned vehicle

The use of an ABC Board owned pool vehicle is recommended when several people may be attending the same meeting or event. Reimbursement will be allowed for out of pocket gas and emergency repairs only. Original receipts for any and all of these expenses must be submitted.

2. Use of Personal Vehicle

Travelers are authorized to use their personal vehicles for day trips. It is the responsibility of the owner of a vehicle being used for ABC Board business to have insurance coverage for their protection and for the protection of any passengers. If a traveler drives a personal vehicle, his insurance policy covers vehicle damage and any expenses incurred in an accident.

Mileage reimbursement will be based on the Board's standard per mile reimbursement rate for the actual miles driven while conducting the Board's business out of county for a day trip. Mileage related to a day trip must be reported on the Travel Expense Report.

3. Rental Cars

Travelers should use a rental car only when other transportation is not available or when such use results in a cost savings. The procedures outlined under Out of Town, Overnight Travel regarding rental cars must be followed. Department Directors may determine for their departments a preference for using ABC Board cars over personal vehicles.

Parking expense incurred while on official ABC Board business will be reimbursed with the submission of the receipt attached to the Travel Expense Report.

PARKING VIOLATIONS, FINES FOR MOVING VIOLATIONS AND VEHICLE TOWING CHARGES ARE NOT REIMBURSABLE EXPENSES.

c) Trains, Buses and Taxis

If a day trip involves ground transportation, such as trains, taxis and/or buses, the procedures outlined under Out of Town, Overnight Travel must be followed.

4. Registration and Seminar Fees

If the traveler pays the registration fee for a seminar or program, reimbursement will be made if the amount is reported on the Travel Expense Report and the receipt is attached.

5. Meals

To comply with IRS regulations, lunch is not reimbursable on a day trip. The ABC Board will reimburse a registration or meeting fee where lunch is included in the cost of the course/seminar/meeting.

When a day trip creates an extended workday, where the traveler:

- departs before 6 a.m., breakfast can be reimbursed at one-third the per diem rate for the location to which the traveler is going.
- returns home after 7 p.m., dinner can be reimbursed at one-third the per diem rate for the location from which the traveler is returning.

The traveler must record the allowable per diem amount on the Travel Expense Report and provide an explanation of the situation (for example: left home prior to 6 a.m.).

G. PROCESSING TRAVEL AUTHORIZATION AND EXPENSE REPORTS

1. Processing Highlights

All travelers are responsible for submitting a completed Expense Reports to the Finance Department within ten (10) business days of their return to the office. All required receipts must be attached. A check, payable to the Mecklenburg County ABC Board, for any advance not used or used for unauthorized, non-reimbursable expenses, must be returned with the Travel Expense Report. The completed Travel Expense Report must be reviewed and approved by the Department Director or his designee for reasonableness of the amounts reported in accordance with this policy and for completeness and accuracy prior to sending to Finance.

If an employee, who requested direct payments for certain expenses and/or received a travel advance, does not return the completed Travel Expense Report within the ten (10) business days of returning to the office, a letter will be sent to the employee, with a copy to the Department Director, indicating the report has not been received and explaining that the Director of Finance will deduct the outstanding travel advance from the employee's wages on the next pay date.

Travel Expense Reports are subject to review for compliance with this policy, by the Board's independent auditors for purposes of the annual audit, and become public records.

The employee must complete and submit the Board's travel/expense report and remit it to the Finance Department.

If the trip includes air travel, a request for a travel advance and/or direct payments, the Travel & Expense Report with the supporting documentation for any direct payments attached should be sent to the Finance Department to be received no less than ten (10) business days in advance of the departure date.

Once Finance has verified that documentation is fully complete, any direct payments will be made and, if requested, an EFT payment for the travel advance will be processed not more than ten (10) days prior to the departure date.

b. Completion of Travel

Step 1 - Upon return from the trip, the traveler must complete the Expenses Section of the Travel Expense Report by listing the actual expenses incurred for each category. To be reimbursed, attach the following receipts depending on specifics of the particular trip:

- airfare - attach e-ticket letter or ticket receipt to support cost of ticket;
- automobile rental- the full receipt from the rental company;
- gas, oil, and emergency repairs incurred - only if an ABC Board vehicle was used;
- parking and bridge/road tolls - attach receipts;
- train, bus, and airport shuttles - receipt showing the cost incurred;
- taxi fares - attach receipts;
- hotel- attach bill marked paid (showing a "0" balance);
- registration fees - attach receipt, if paid by the traveler;
- business meals, including tip- attach restaurant receipt listing who attended and business discussed;
- any miscellaneous expenses.

Report actual miles driven, if a personal vehicle was used. The reimbursement is based on the actual miles driven multiplied by the Board's per mile reimbursement rate.

To prevent loss and facilitate record imaging, receipts should be arranged in date order, and any receipts less than 8 1/2" x 11" in size should be taped to clean, white, 8 1/2" x 11" paper and attached to the report.

Step 2 - The completed Travel Expense Report must be signed by the traveler and approved in accordance with this policy and forwarded to the Finance Department within ten (10) business days after the traveler's return to work. Any funds that were provided as an advance and not used for authorized, reimbursable expenses must be returned with the Travel Expense Report.