

Mecklenburg County ABC
Board Travel Policies & Procedures

Travel

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TRAVEL POLICY

A. Overview

The purpose of this policy is to provide guidelines and establish procedures regarding reconciliation and reimbursement of expenses for those Mecklenburg County ABC Board employees incurring expenses when performing official Meck 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 Mecklenburg County 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 Mecklenburg County during the day returning to their 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

| <u>Reference</u> | <u>Subject</u> |
|---|--|
| Internal Revenue Code Section 62 | Accountable Plans |
| Internal Revenue Service Publication 463 | Travell Entertainment and Car Expenses |
| Internal Revenue Service Publication 1 5 42 And Code Section 302 | Federal Authorized Per Diem Rates |
| N. C. General Statutes Section 1 5 9 | 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 expenditure must be ordinary and necessary for the work requiring travel. The documentation requirements of this policy have been established to meet the guidelines required by the IRS.

Since the Mecklenburg County ABC Board travel program, is an Accountable Plan, if the expenses covered by this arrangement are not substantiated (or amounts more than substantiated expenses are not returned within a reasonable period

of time) the amount paid under the arrangement, more than the substantiated expenses, is treated as paid under a Non-Accountable Plan. This amount is subject to income social security Medicare and FUTA taxes for the payroll period following the end of the reasonable period of time.

This policy should provide clear and consistent understanding of the Mecklenburg County ABC Board definition of business-related expenditures to employees who travel so that expenditures incurred while executing official Mecklenburg County ABC Board business when out of town or on a day trip may be paid or reimbursed.

This policy should provide the traveler conducting official Mecklenburg County ABC Board business with a reasonable level of comfort at a reasonably low cost to the Mecklenburg County 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.

If travel is associated with Federal funding, please contact Finance to ensure that these expenditures are in compliance with the Uniform Guidance.

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 Mecklenburg County 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 Mecklenburg County ABC Board funds prudently.

The traveler is expected to neither lose nor gain financially when out-of-town, overnight conducting official Mecklenburg County ABC Board business.

The employee is required to use Travel Expense Request document to process travel expenditure.

Department directors should ensure that individuals traveling on behalf of the Mecklenburg County ABC Board are aware of, and will abide by, this policy and the related procedures.

The C.E.O,C.F.O, Department Director or assigned designee, approving 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 a travel expense report to the Finance Department upon return from travel and before ABC Board issued credit card monthly reconciliation deadline.

The Finance Department may 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, OVER NIGHT TRAVEL

L. Authorization

All travel related to Mecklenburg County ABC Board business must be authorized in advance by the employee's supervisor or their designee. 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 T r a v e l a n d E x p e n s e R e q u e s t Authorization for the proposed trip should occur as follows:

Traveler:
Employee

Authorization by:
Supervisor, CEO, CFO or designee

The travel request and travel expense report must be authorized at the department level. The authorization should include estimates for all trip-related costs. Direct payments for registration, hotel, and other travel related expenses except meals may be put on Meck ABC assigned credit card. Receipts for these expenses should be submitted to the Finance Department. If direct payment for registration is required by check, the travel documents should be sent to Finance at least 10 days prior to travel date and in sufficient time to meet conference deadline.

2. Transportation

Transportation expenditure may be paid directly by using the Mecklenburg County ABC Board credit card

Air Travel

Air travel should be arranged, and tickets purchased only after receiving approval for the trip from the supervisor 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 returning 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 and must be submitted to the finance department as personal expense.

In the event a flight has to be cancelled, the traveler is required to contact the travel agent prior to the flight's departure. The traveler is also required to notify their supervisor, as well as Finance of the cancellation. Cancelled flights are usually assessed as a cancellation fee which is paid directly to the airline. The remaining value of the ticket has to be used by the original traveler only within one year of the ticket purchase date. Airline tickets purchased by an employee and not used are not eligible for reimbursement.

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 Mecklenburg County ABC Board beyond the coach fare rate.

The traveler should retain the itinerary, or internet receipt, to submit to Finance department with the Travel Expense Form to show that the expenditure was actually incurred.

Additional airline charges, such as baggage, are reimbursable provided the traveler retains/uploads the receipt for the charge and reports the amount on the Travel Expense Report. Prior approval from department is required for excess baggage (more than 2). Upgrades for seating assignments are not reimbursable unless there is a valid pre-authorized reason.

No personal mileage will be reimbursed from employee's home or place of business to and from the airport, train station, or bus station. Travelers may use ground transportation such as Uber, or LYFT from the employee's home or place of business.

a) Rental Cars

Travelers should use a rental car only when other transportation is not available or when such use for Mecklenburg County ABC Board business results in 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 cost savings to the Mecklenburg County ABC Board. Vehicles rented for recreational or non- Mecklenburg County ABC Board business while out-of-town, overnight will not be reimbursed.

When renting a vehicle, the traveler should accept the insurance coverage offered by the rental agency. Reimbursement of rental car expense requires submission of the rental car agreement/receipt.

- b) Mecklenburg County 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 a Mecklenburg County ABC Board owned vehicle is used for overnight travel out of town, but the employee must be the only driver. Employees must be authorized to drive Mecklenburg County ABC Board owned vehicles.

c) 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 Mecklenburg County ABC Board business to have customary automobile liability insurance coverage including medical payments, 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 Mecklenburg County ABC Board will reimburse mileage incurred when driving a personal vehicle at the Mecklenburg County ABC Board's designated reimbursement rate calculated on the actual miles traveled from their place of business to the destination. Travel to/from hotel to conference locations, restaurants and other applicable meeting locations will be reimbursed. The mileage rate is set annually by the IRS and covers all transportation and operating costs of the vehicle, including gas. Department directors will be notified of any change in the mileage reimbursement rate.

Department Directors may determine for their departments a preference for using Mecklenburg County ABC Board cars over personal vehicles.

Reimbursement will be made for tolls and parking fees incurred while out of town, overnight conducting Mecklenburg County ABC Board business. Amounts must be reported on the Travel Expense Report, and the receipts must be submitted to Finance Department. Parking and Ground Transportation costs to and from the airport, train station, or bus station (taxi, Lyft, Uber, bus, etc.), including up to a 20% tip, may also be reimbursed with receipt.

If the traveler chooses to drive a personal vehicle instead of flying to a destination, reimbursement for the use of the personal vehicle 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 MECKLENBURG COUNTY ABC BOARD WILL NOT REIMBURSE TRAVELERS FOR PARKING TICKETS, FINES FOR MOVING VIOLATIONS OR VEHICLE TOWING CHARGES.

d) Trains, Buses, and Taxis

Ground transportation includes trains, airport shuttles, buses, Uber, Lyft, and taxis is authorized when on overnight Mecklenburg County ABC Board business. Ground transportation includes travel to/from the airport and hotel, travel to/from hotel and location of conference/meeting, and travel to/from hotel and restaurant.

If paid directly by the traveler, original receipts must be submitted for all train and bus travel, all airport shuttle fares, and any taxi fares including Uber and Lyft. Employees are allowed to use board issued credit cards to pay these expenses.

Tips should not exceed 20% of bill.

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. Other lodging accommodations such as Airbnb and VRBO are prohibited and not reimbursed by the Mecklenburg County ABC Board. 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 late arrival. 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 Mecklenburg County ABC Board. Failure to comply with proper cancellation of hotel stay may result in travelers paying excess costs that are not eligible for reimbursement.

4. Meal and Incidental Expenses

The traveler is reimbursed on the IRS per diem basis for meals and incidental expenses. The standard meal allowance is the federal rate for meals and incidental expenses (M&IE). You can find this information on the internet at www.gsa.gov/perdiem. Incidental expenses consist of fees and tips for people 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. If the conference city or location is not listed, please use the standard per diem 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

Mecklenburg County ABC Board Department employees should use their assigned credit card to pay for employee out of town travel registration costs. If registration is paid on the Meck ABC issued Credit card, submit the receipt to the Finance Department along with the Expense Report. If direct payment for registration is required (registrar will not accept credit cards) by check, the travel expense report should be sent to Finance at least 10 days prior to travel date or in sufficient time to allow meeting conference deadline.

6. Other Expenses

Internet Usage

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

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 Mecklenburg County ABC Board business away from the office. These expenditures are reimbursable so long as original receipts are submitted to the finance department, and an explanation as to why the items were needed is documented in the notes.

Occasionally it is necessary for an employee to entertain business associates, professional colleagues or others over a meal to discuss a business matter when out of town, overnight. The total cost incurred for this meal, excluding any alcohol, is reimbursable provided that the traveler reports the expenditure on the Expense Report to the finance department and submits the original itemized restaurant receipt listing the names of the individuals in attendance and an explanation of the business discussed. The purchase of alcohol will not be reimbursed in accordance with Mecklenburg County ABC Board policy.

Tips should not exceed 20% of bill.

7. Cancellations

In the event of a trip's cancellation, 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 Mecklenburg County ABC Board

If the conference, seminar or convention is rescheduled the employee should notify Finance Department. The employee should also make any necessary changes and updates for airfare and

lodging that may be incurred.

8. Travel Advances

The Mecklenburg County ABC Board does not provide advances for travel. The Mecklenburg County ABC issued credit card will allow Mecklenburg County ABC Board employees to pay for registration, lodging and other travel-related expenses. Employees are encouraged to use a Meck ABC issued credit card if they are traveling for Mecklenburg County ABC Board business.

F. DAY TRIPS

1 Definitions

Day trips are defined as those activities that require the individual to be out of the Mecklenburg County area on official Mecklenburg County ABC Board business for the day or part of the day and return to their personal residence at night.

2 Authorization

Out of Mecklenburg County area Mecklenburg ABC Board Day trip expenses must be authorized in advance by the employee' s supervisor. The purpose of the authorization is to ensure the necessity and business purpose of the activity and the availability of budget funds.

Department directors may establish procedures for authorizing day trips as long as it is more restrictive than this policy.

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 Mecklenburg County ABC Board owned vehicle

The use of a Mecklenburg County 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 to Finance Department

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 Mecklenburg County ABC Board business to have insurance coverage for their protection and for the protection of any passengers. If a traveler drives a personal vehicle, their insurance policy covers vehicle damage and any expenses incurred in an accident.

Mileage reimbursement will be based on the Mecklenburg County ABC Board's standard per mile reimbursement rate for the actual miles driven while conducting the Mecklenburg County ABC Board's business out of Mecklenburg County area for a day trip. (from the place of business to destination and return).

Mileage related to a day trip must be reported to the Finance Department using the mileage calculator in the Expense Report.

3 Rental Cars

Travelers should use a rental car only when other transportation is not available or when such use results in 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 Mecklenburg County ABC Board cars over personal vehicles.

Parking expense incurred while on official Mecklenburg County ABC Board business will be reimbursed with the submission of the receipt attached to the 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

Mecklenburg County ABC Board Departments should use their issued credit cards to pay for employee Day trip registration costs. If registration is paid on the Meck ABC issued credit card, submit the receipt to the Finance Department. If direct payment for registration is required (registrar will not accept purchasing card) by check, the Daytrip Expense Report should be sent to Finance at least 10 days prior to travel date.

5 Meals

To comply with IRS regulations, lunch is not reimbursable on a day trip. The Mecklenburg County 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:

- a. 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.
- b. 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 select per diem on the Expense Report submitted to the Finance department 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 completing an expense report. All required receipts must be submitted to Finance Department. An employee who gives the Mecklenburg County ABC Board a Non-Sufficient Funds (NSF) check will have the total amount of the overpayment, along with the NSF fee deducted from their paycheck in the next payroll cycle. The completed Expense Report must be reviewed and approved by the supervisor or their designee for reasonableness of the amounts reported in accordance with this policy and for completeness and accuracy prior to submitting the travel and expense request.

Note: If the traveler does not submit the Expense Report within the required time period, an email from Finance department will be sent to the employee, with a copy to the Supervisor, indicating that the expense report has not been submitted.

Unauthorized travel purchases will be deducted from any amount due to the traveler.

Adopted: July 201 0
Updated: March 201 2
July 201 3
December 201 4
July 201 6
January 201 7
June 201 8
November 2023
October 2024

Adopted
By Mecklenburg
County ABC Board : Sept 2025