

Pine Technical College

Policy and Procedure

Policy Number: **409**

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Revision Date:

Division/Department: **Administrative Services**

Author: **Katherine Hefty**

Subject: **Travel Management**

Authorities:

Minn. State. Section 15.435, Airline Travel Credit; Minn. Stat. Section 43A.38, Code of Ethics for Employees in the Executive Branch; Board Policy 5.19, Travel Management; Board Policy 5.20, Expense Allowances for Chancellor and Presidents; Board Policy 7.1, Authority; System Procedure 5.20.1, Special Expenses

Purpose:

To develop a college procedure on travel management in conjunction with those of the above Authorities

Policy:

The objectives of travel management are to fund authorized travel at state expense when such travel is necessary to conduct state business, to promptly reimburse employees and students for expenses incurred, and to ensure that reimbursements comply with Internal Revenue Service and State of Minnesota regulations and with collective bargaining agreements and compensation plans.

Procedure:

This procedure applies to all employees and to any other individual, including students, authorized to travel and be reimbursed for allowable expenses in conducting authorized state business.

1. **Prior Approval.** All in-state travel requires verbal prior approval and all out-of-state travel requires written prior approval by the Appointing Authority. Written authorizations will be retained locally for audit purposes. Authorized travel is when it can be reasonably determined that:
 - ❑ The travel is primarily for the benefit of the state and is related to the effective conduct of business.
 - ❑ The cost of the travel and absence from work will be offset by benefits accruing to the state, including the professional advancement of an employee.
 - ❑ The travel relates to activities that do not have as their purpose the advancement of a political party, a political candidate, or a religious denomination.
 - ❑ Travel without prior authorization is allowed in cases of emergency or for travel originating outside the United States.
2. **Spouse/Companion Travel.** Travel expenses will not be reimbursed if incurred by a spouse or other individual accompanying an employee or other individual authorized to travel on business, including students, unless:

- ❑ The spouse/companion is a state employee and there is a bona fide business purpose requiring their attendance.
 - ❑ Such expenses are provided for in collective bargaining agreements or compensation plans.
 - ❑ A spouse or other individual may accompany a state employee or any other individual authorized to travel on business, including students, at the expense of the employee or other individual.
3. **Maximum Use of Financial Resources.** Travel costs should take into consideration any financial decisions made, such as:
- ❑ An employee or other individual authorized to travel, including students, leaving a day early to take advantage of a lower airfare.
 - ❑ An employee or other individual authorized to travel, including students, staying over a weekend at his/her own expense to obtain lower airfare. Additional expenses may be paid related to the reduced airfare providing they do not exceed the amount saved on the lower airfare.
 - ❑ Other unusual situations that increase or decrease the trip costs.
 - ❑ Travel is being paid for by an outside organization and is in compliance with ethics requirements in accordance with *Minn. Stat. Section 43A.38, Code of Ethics for Employees in the Executive Branch*, and *Minn. Stat. Section 10A.071, Certain Gifts by Lobbyists and Principals Prohibited*. If an employee or other individual authorized to travel, including students, is reimbursed by the state for this travel and is also reimbursed for the same travel expense by an outside organization, the employee or other individual authorized to travel, including students, must endorse the reimbursement check over to the state. An employee or other individual authorized to travel, including students, may be reimbursed by an outside organization for travel or meal expenses, not to exceed actual expenses incurred, which are not reimbursed by the state and which have been approved in advance by the Appointing Authority as part of the work assignment.
 - ❑ Employees or other individuals authorized to travel, including students, elect to drive a personal vehicle rather than fly. Reimbursement for personal vehicle use in lieu of airfare is at the lower reimbursement rate and shall not exceed the lowest round trip coach airfare.
4. **Travel Arrangements.** Travel arrangements may be made through any travel agency. Use of the state's preferred vendors or targeted group and economically disadvantaged vendors is encouraged.
5. **Fares.**
- ❑ Inquiries on fares and reservations should be made early enough to take advantage of advance purchase discounts.
 - ❑ Travel insurance coverage purchased by employees is not a reimbursable expense.
 - ❑ Upgrades at the expense of the state are not permitted. Upgrades are allowed at the employee's personal expense. Free service upgrades for all domestic air travel are permissible with the lowest available rates. Employees or other individuals authorized to travel, including students, shall not use their positions

to seek or accept an unwarranted privilege of substantial value which is not regularly available to similarly situated individuals.

- ❑ Travel in personal aircraft may be authorized by the President of the college when it is deemed in the best interest of the institution. Mileage reimbursement in such cases shall be at the rate identified in the applicable collective bargaining agreement or compensation plan. Proof of adequate liability insurance is required and the pilot and aircraft must be in compliance with all Federal Aviation Administration requirements.
 - ❑ Personal items lost while traveling on authorized business are not a reimbursable expense.
 - ❑ Employees or other individuals authorized to travel, including students, will be reimbursed for excess baggage charges only when he/she is required to have on hand equipment, books, reports, etc. that cause him/her to exceed the normal weight limitations.
6. **Lodging.** The lowest government rate available should be secured at a reasonably priced licensed lodging facility. Staying at the private residence of a relative or friend is not a reimbursable expense. Room charge and tax may be directly billed to the college. Other miscellaneous charges, such as meals, dry cleaning, telephone calls, etc., must be paid to the lodging facility at the time of check-out by the employee or other individual authorized to travel, including students. Business-related expenses will be reimbursed through the Employee Expense Report process. Employees must submit the original lodging receipts that show the detail of charges with their Employee Expense Report in order to obtain reimbursement. Credit card billings or charge slips are not acceptable unless they show an itemized detail of the charges. If accompanied by other persons who are not part of the official state business, employees and other individuals authorized to travel, including students, can be reimbursed only for the single-room rate for lodging, not to include special rooms, when a regular-rate room is available.
7. **State-owned Vehicles.** State vehicles are to be used for official state business only. Authorized drivers are state employees, contract employees if authorization to drive a state vehicle is specifically mentioned in their contract, students who have been given permission by college administration, and individuals assisting an employee or student with a disability, if approved by the employee's supervisor or college administration. Only authorized persons are permitted to ride in state-owned vehicles. Authorized persons include state employees, other persons participating in related state programs, or an individual assisting an employee or student with a disability, if approved by the employee's supervisor or college administration.
8. **Personal Vehicle Usage.** Employees and other individuals authorized to travel, including students, may use their personal vehicle for business purposes when in compliance with state policy outlined in the Department of Finance's *SEMA4 Operating Policy and Procedure Manual, Employee Travel Expenses* chapter. Mileage reimbursement for the use of personal vehicles will be at the allowable levels and in conformity with expense reimbursement requirements defined in the respective collective bargaining agreement or compensation plan of the employee or other individual authorized to travel, including students, and state policy as outlined in the Department of Finance's *SEMA4 Operating Policy and Procedure Manual*. When an employee or other individual authorized to travel, including students, does not report to

his/her temporary or permanent work station during the day or if he/she makes state business-related calls before or after reporting to his/her temporary or permanent work location, his/her allowable mileage is the lesser of the mileage from his/her home to the first stop or from his/her temporary or permanent work location to the first stop, all mileage between points visited on state business during the day, and the lesser of the mileage from the last stop to his/her home or from the last stop to his/her temporary or permanent work location.

9. **Rental Vehicle.** Rental of a vehicle by employees or other individuals authorized to travel, including students, is authorized only when the type of trip or location of meetings is such that use of local transportation (taxis, airport limousines and shuttles, buses) is not practical or is expected to be more expensive. Rental vehicles shall be reserved and rented at the lowest applicable discounted rate possible or available. The use of compact or mid-size/intermediate rental vehicle categories is recommended except in cases where the number of passengers is three or more, excess baggage for official business requires a large vehicle (e.g., booth displays, slide presentations, sales items), or a larger size vehicle is provided at no extra charge above the compact or mid-size rate. When rental vehicles are used for travel within the United States, employees and other individuals authorized to travel, including students, are expected to decline rental vehicle insurance because the state has provisions for insuring rental vehicles against damage through the Risk Management Division. Travelers will not be reimbursed for the cost of rental vehicle insurance for domestic travel. For international travel, employees and other individuals authorized to travel, including students, should accept all insurance coverage when renting vehicles in a foreign country. Insurance coverage purchased in foreign countries is reimbursable.
10. **Airline Frequent Flyer Program.** *Minn. Stat. 15.435, Airline Travel Credit*, requires any credits or other benefits issued by an airline to a public employee or other individual authorized to travel, including students, who uses public funds to pay for airline travel to accrue to the benefit of the public body providing the funding. Employees or other individuals authorized to travel, including students, who frequently fly and have airline frequent flyer programs for their personal travel shall obtain a separate airline frequent flyer program to record and report receipt of credits or other benefits when using state funds.
11. **Travel Advances.** Employees or other authorized individuals, including students, may be issued a travel advance subject to minimum amounts determined by the applicable collective bargaining agreement or compensation plan. The amount of the advance should not include any expense that will be billed directly. Advances should be requested using the Employee Expense Report a minimum of 14 days before departure. Employees or other authorized individuals, including students, may not have more than one outstanding travel advance due to failure to settle the advance for a trip that has been completed. The advance must be submitted with an Employee Expense Report with appropriate receipts and documentation within five (5) days of returning from the trip. Advances not settled within 28 days of the return date will be deducted in their entirety from the employee's pay check.
12. **Reimbursement Form.** Employees or other authorized individuals, including students, will be reimbursed for all reasonable and necessary expenses within applicable policies and collective bargaining agreements or compensation plans while traveling on

authorized business. Request for reimbursement of travel expenses shall be submitted on an Employee Expense Report form. Employees or other authorized individuals, including students, who incur minimal costs in any month may delay in filing an Employee Expense Report until the accumulated expenses exceed \$50. All travel reimbursements for the fiscal year ending June 30 must be paid before July 31. A report submitted after July 31 requires a written explanation. Whenever an expense item is billed directly to the agency, it should be noted on the Employee Expense Report. The name of the travel agent, lodging facility, or other vendor who will be receiving payment must also be listed.

13. **Receipts/Documentation.** Original itemized receipts are required for all expenses except meals, taxi services, baggage handling, and parking meters, or as required in collective bargaining agreements or compensation plans. All forms of cancelled checks and copies of credit card bills do not substitute for original receipts. An employee or other individual authorized to travel, including students, may be allowed to file an affidavit in lieu of receipt if the original receipt is lost or a receipt is not obtained.
14. **Meals.** Employees and other individuals authorized to travel, including students, may be reimbursed for the actual cost of a meal, not to exceed the maximum amount established in the applicable collective bargaining agreement or compensation plan. The cost of a meal includes tax and a reasonable gratuity and does not include alcoholic beverages. An employee or other individual authorized to travel, including students, may not claim reimbursement for breakfast unless he/she was required to leave home for travel status assignment before 6:00 a.m. or to be away from home overnight. To claim breakfast because of the need to leave home before 6:00 a.m., the employee or other individual authorized to travel, including students, must write the time he/she left home on the Employee Expense Report. An employee or other individual authorized to travel, including students, may not claim reimbursement for lunch unless he/she is in travel status and is performing required work more than thirty-five (35) miles from his/her temporary or permanent work station and the work assignment extends over the normal noon meal period. An employee or other individual authorized to travel, including students, may not claim reimbursement for dinner unless the state business caused him/her to return home from travel status after 7:00 p.m. or to be away from home overnight. To claim reimbursement for dinner, the employee or other individual authorized to travel, including students, must write the time he/she arrived home on the Employee Expense Report. Employees and other individuals authorized to travel, including students, who meet the eligibility requirements of two or more consecutive meals shall be reimbursed for the actual cost of the meals up to the combined maximum reimbursement amount for the eligible meals. Combined reimbursement allows employees or other individuals authorized to travel, including students, to group the allowable limits for several meals and claim reimbursement on the amount actually spent on all meals up to the combined total. When the cost of commercial transportation, conference registration fee, or hotel lodging includes a meal and is reimbursed by the state, the employee or other individual authorized to travel, including students, is not eligible for additional reimbursement for the meal, with some exceptions that will be determined on a case-by-case basis. Note on the Employee Expense Report if a meal was included in the cost of travel fare, conference fee, or hotel lodging. Do not include the maximum allowance or actual cost of the meal in the calculation of the

combined reimbursement. According to Internal Revenue Service regulations, reimbursement of meals for travel not involving overnight lodging is taxable income. Therefore, when the expenses are paid, federal, state, FICA, and Medicare taxes will be withheld from the reimbursement and the amount will be added to wages.

15. **Miscellaneous Expenses.** The following miscellaneous expenses may be reimbursed:
- ❑ Personal telephone calls if allowed by collective bargaining agreements or compensation plans; documented personal telephone calls are reimbursable
 - ❑ Laundry and dry cleaning. If employees or other individuals authorized to travel, including students, in travel status in excess of one week without returning home shall be allowed actual cost not to exceed applicable collective bargaining agreements or compensation plans for laundry and dry cleaning for each week after the first week.
16. **Non-reimbursable Expenses.** The following are examples of miscellaneous expenses for which employees and other individuals authorized to travel, including students, will not normally be reimbursed:
- ❑ Under no circumstances will employees or other individuals authorized to travel, including students, be reimbursed for alcoholic beverages
 - ❑ Annual fees or interest for personal credit cards
 - ❑ Late payment fees or interest on state-issued corporate credit cards
 - ❑ Expenses of traveling companions or family members
 - ❑ Expenses related to vacation or personal days while on a trip
 - ❑ Loss or theft of personal cash or property
 - ❑ Entertainment or amusement costs, movies, “no-show” charges, optional travel or baggage insurance, and parking or traffic tickets
 - ❑ Incorrect or incomplete expense reports
 - ❑ If an employee or other individual authorized to travel, including students, who normally does not drive to work drives a personal vehicle because he/she will use the vehicle for official business during the day, he/she is not entitled to parking reimbursement at the work location.
17. **International Travel.** International travel covers all destinations outside the Continental U.S. The college president shall approve/disapprove, in writing, international travel for college employees. Because the cost of living varies from country to country and the rate of money exchange fluctuates, the following expenses will be reimbursed at the actual cost unless provisions for reimbursement of international travel are referenced in applicable collective bargaining agreements or compensation plans:
- ❑ Commercial transportation
 - ❑ Hotel/motel accommodations
 - ❑ Meals
 - ❑ Work-related long distance calls
 - ❑ Dry cleaning and laundry services after one week in continued travel status
 - ❑ Miscellaneous expenses incurred with travel, such as baggage handling and parking fees

Receipts for expenses should be attached to the Employee Expense Report. If an employee or other individual authorized to travel, including students, does not have a receipt or affidavit of expenditure, the out-of-state reimbursement limits in the

applicable collective bargaining agreement or compensation plan shall be used. Employees or other individuals authorized to travel, including students, must not travel to countries for which a travel advisory has been issued by the State Department of the United States of America. Contact the State Department to obtain a list of current advisories at <http://www.stolaf.edu/network/travel-advisories.html>. The Center for Disease Control has travel vaccine requirements, food and water precautions, and other pertinent information at the following Internet address: <http://www.tmd.state.mn.us/>. In case of an emergency, contact the travel agency issuing the travel documents and itinerary. Foreign currency can be obtained from banks, airport foreign exchange counters, major hotels in foreign countries, and currency exchange outlets. Expenses incurred and paid directly by the employee or other individual authorized to travel, including students, are converted into U.S. dollars at the actual exchange rate supported by receipts such as a foreign currency exchange receipt or a charge/credit card billing statement. When more than one exchange of the same type of foreign currency is made during the reporting period, a weighted average exchange rate (total U.S. dollars divided by total amount of foreign currency) must be used. All expenses must be recorded in U.S. dollars, with the currency conversion rate clearly noted on the expense report and on all supporting receipts. If the amount claimed on the expense report is more or less than the amount of the attached receipts, a written statement explaining the differences must accompany the expense report.

Responsibilities:

1. Employees and other individuals authorized to travel, including students, are responsible for complying with state statutes, laws, regulations, policies, MnSCU's travel policies and procedures, applicable collective bargaining agreements or compensation plans, state laws, federal laws, and IRS guidelines.
2. Employees and other individuals authorized to travel, including students, are responsible for the accurate completion of all required forms, including the Employee Expense Report. The employee or student must include only those expenses and amounts authorized by the Appointing Authority and by the employee's collective bargaining agreement or compensation plan. The employee is responsible for attaching all required receipts.
3. Supervisors are responsible for reviewing all travel requests and approving them only if the necessity for travel is valid and expenses are in compliance with policies and collective bargaining agreements or compensation plans.
4. Audits of travel reimbursement shall be conducted according to the audit plan approved by the Board.

Dissemination:

Supervisors will disseminate this policy to all employees.

Reviewed by Executive Cabinet: 03/11/02

Reviewed by Faculty Senate: N/A

Reviewed by: Leadership Team

Approved: Date: 03/11/02