

Travel - Reimbursement - Transportation

FIACCT 10-02.06

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Purpose

This policy defines the Division of Finance travel policy for transportation.

Policy

A. Commercial Airlines

1. Reservations

- a. *Reservations* – **ALL** reservations (in-state, out-of-state, and foreign travel) must be made through the State Travel Office. They will provide the least expensive airfare available at the time reservations are made. Where special and reduced fares are available, they **must be secured**.

Employees may **NOT** demand alternate travel arrangements be made by the State Travel Office when the overall cost to the State is higher. This policy is in effect even if the travel costs are reimbursable by the federal government or some other organization. If it is determined that an employee has made alternate travel arrangements, which resulted in a higher cost to the State, the employee must reimburse the State for the additional cost.

Include the following considerations in reservation plans:

- ◆ Make reservations at least 21 days in advance to qualify for discount fares.
 - ◆ Plan to fly during off-peak times of the week. Travelers may stay at their destination over a weekend if it reduces the total cost of the trip (i.e., the ticket savings is greater than the cost of lodging and per diem.) The traveler does not earn comp time or overtime for the weekend stay.
 - ◆ Be as flexible as possible on flight times and travel days.
- b. *Rates* – Air transportation is limited to state-contracted rates or excursion rates. A contracted airline must be used unless the schedule offered does not meet the traveler's business need or another airline is offering a lower fare for a schedule that meets the traveler's business needs. Exceptions to excursion rates will be allowed for unusual circumstances when approved in writing by the Executive Director or designee prior to the trip. Priority seating charges will not be reimbursed unless preapproved by the Executive Director or designee.
 - ◆ Travelers should book the lowest airfare whenever possible considering the following types of fares in order to maximize savings:
 - ◆ Non-refundable fares: Travelers should consider these fares if the trip dates/times are fixed and there is a low probability of a change in plans. Frequent travelers should always consider non-refundable fares since there is a high probability the unused funds

will be used for future travel within the expiration period.

- ◆ Refundable fares: a refundable ticket may be the best option if plans are likely to change.
- c. *Flights* – Travelers should take a connecting flight if the total time of the flight is less than 3 hours longer than a non-stop flight and the cost of the connecting flight is \$200 or more lower.
- d. *Change Fees* – Only one change fee per trip will be reimbursed. **An explanation for any additional changes or any other exception to this policy must be given and approved by the traveler’s Executive Director or designee.**

Change made same-day as travel (same day confirmation / standby) – If a traveler chooses to make a same-day change to a different flight, they may do so without going through the State Travel Office as long as the fee is not more than \$75. Reimbursement for this fee is subject to the approval of the traveler’s Executive Director or designee.

2. Reimbursement/Documentation

- a. *Airport Travel and Parking Fees* – Travelers may be reimbursed for:
 - ◆ Mileage to and from the airport and long-term parking or away-from-the-airport parking (Diamond Parking, etc.). The maximum reimbursement for parking is the long term parking rate at the airport they are flying out of. If \$20.00 or more, the parking receipt must be included with the Travel Reimbursement Request, form FI 51A, FI 51B, or in ESS Travel.
 - OR**
 - ◆ Mileage to and from the airport for someone to drop off and pick up the traveler (two trips).
- b. *Travel Itinerary* – A copy of the traveler's itinerary must be attached to the Travel Reimbursement Request, form FI 51A, FI 51B, or in ESS Travel.
- c. *TSA Pre-Check Fee* – Pre-approval must be obtained in writing from the traveler’s Executive Director or designee. This expense is paid by the traveler and then reimbursed using the Travel Reimbursement Request, form FI 51A, FI 51B, or in ESS Travel. Payment receipt and copy of written pre-approval must be attached to the reimbursement request.

3. Discounts, Credits, and Special Coupons

- a. *State Property* – Vouchers given to travelers due to being denied boarding or for voluntarily changing their flight are the property of the State. Due to potential issues with risk management, employees must not voluntarily change flights when flights are overbooked.
- b. *Property of Employee* – Airline frequent flyer programs and hotel frequent lodging programs and any other programs which give an employee on state business credit for miles/hours flown, or nights lodged may be considered the property of the employee.
- c. *Credits* – Credits earned on airline travel, while staying in certain hotels, or through other programs by a state employee may be used by the employee while traveling on state business. However, the employee may not be compensated for the credits.

NOTE: The traveler is responsible for any tax consequences associated with this reimbursement policy.

B. Private Vehicles

1. Use of a Private Vehicle Instead of a State Vehicle.

- a. *Approval* – Travelers may use private vehicles with approval from the Executive Director or designee.
- b. *Reimbursement* – Only one person in a vehicle may receive the reimbursement, regardless of the number of people in the vehicle.
 - ◆ Departments should coordinate travel to reduce the number of vehicles traveling to various destinations. When one or more persons are planning to attend the same meeting, travel in private vehicles will be approved only for the number of vehicles sufficient to transport those attending. Each person attending the meeting will not be reimbursed for his/her own individual vehicle. Any exceptions must be approved by the Executive Director or designee.
 - ◆ Mileage reimbursements for employees on voluntary telework agreements from a telework location to the primary business office location, if allowed by the department, may be taxable income. If taxable, reimbursement should be processed under wage-type 1122.
 - Taxable situations arise if reimbursement on mileage to the office occurs, but:
 - the department does not adjust work schedules so that travel time is considered work time.
 - The home base for the employee is defined in agreements or policy as the office location.
 - Taxable situations are avoided if:
 - The agency does not reimburse for travel to the office, or
 - The agency adjusts work schedules to allow for travel to the office to be considered work time, and
 - The home base for the employee is defined in either agreements or policy as the location at which the employee is scheduled for the day.
- c. *Reimbursement Rate* – Private vehicle use is reimbursed at the rate of 44 cents per mile, or 62 cents per mile if a state vehicle is not available to the employee. The mileage rates are to cover all the costs of operating a vehicle (fuel, maintenance, insurance, etc.)

To determine which rate to use, the traveler must first determine if their department has a vehicle (long-term leased vehicle or a rental car from Fleet Operations) that meets their needs and is reasonably available for the trip (does not apply to special purpose vehicles). **If reasonably available, the employee should use a department vehicle.** If a department vehicle that meets their needs is not reasonably available, the department may approve the traveler to use either a daily pool vehicle, a rental vehicle, or a private vehicle. If a daily pool fleet vehicle or rental vehicle is not reasonably available, and the trip is estimated to average less than 100 miles per day, the traveler may be reimbursed at 62 cents per mile.

If a trip is estimated to average 100 miles or more per day, the department should approve the traveler to rent a daily pool fleet vehicle or a rental vehicle if one is reasonably available. Doing so will cost less than if the traveler takes a private vehicle. If the department approves the traveler to take a private vehicle when a daily pool fleet vehicle or rental vehicle is reasonably available, the employee will be reimbursed at the lower of the 44 cents per mile rate or the cost calculated in the personal vs. rental comparison in the below link. If the department wants to make an exception to the 44 cents mileage rate and pay the traveler 62

cents per mile or the limit on mileage reimbursement, **written approval** by the department Executive Director or designee is required (signature, title, and date on reimbursement form).

A cost comparison worksheet is available at:

<https://fleet.utah.gov/motor-pool-a/demand-motor-pool/personal-vehicle-vs-rental-vehicle/>

- d. *Mileage Computation* – Mileage will be computed from the latest official state road map or reputable online map service such as Google Maps or Mapquest, and will be limited to the most economical, usually traveled routes.
 - e. *Parking* – If the traveler uses a private vehicle on official state business and is reimbursed for mileage, parking charges may be reimbursed as an incidental expense.
 - f. *Airport* – Travelers may be reimbursed, up to the maximum reimbursement rate, for mileage to and from the airport when flying. The traveler may also be reimbursed for long-term parking or away-from-the-airport parking (Diamond Parking, etc.) However, the maximum reimbursement rate, regardless of where you park, is the economy lot parking rate at the airport they are flying out of.
 - g. *Damage to Vehicle* – Damage to a traveler's personal vehicle is the responsibility of that individual or his/her insurance company. The state reimbursement rate includes an amount for the cost of insurance of a personal vehicle. However, a liability claim against a traveler in excess of the limits carried by the traveler in his personal auto policy may be subject to payment by the State Risk Management fund.
 - h. *Documentation* – An approved FI 40A Private Vehicle Usage Report for Reimbursement at 44 cents per mile or FI 40B Reimbursement at 62 cents per mile will be included with the department's payroll documentation reporting miles driven on state business during the payroll period. To receive reimbursement at the rate of 62 cents per mile, documentation confirming that a state fleet vehicle was not available to the employee should be attached. Departments may also allow mileage reimbursement on an approved Travel Reimbursement Request, form FI 51A, FI 51B, or through ESS Travel.
 - i. *Reporting Local Travel* – Vicinity and/or local travel will be shown separately from mileage between points of travel and will be clearly identified with an explanation as to reasons why it was necessary. Personal travel such as to restaurants, movies, etc. is not reimbursable.
 - j. *Travel Via Neighboring States*
 - ◆ In-State Travel
 - In-state travel via neighboring states IS AUTHORIZED when traveling on routine state business and such route is the nearest or most practicable to reach a destination in Utah.
 - ◆ Out-of-State Travel
 - Not applicable
2. Driving a Vehicle Instead of Flying.
- a. *Approval* – A traveler may choose to drive instead of flying if pre-approved by his/her Executive Director or designee.
 - b. *Reimbursement*
 - ◆ State Vehicle – If the traveler drives a state vehicle, the traveler may be reimbursed for meals and lodging for a reasonable amount of travel time; however, the total cost of the

trip must not exceed the equivalent cost of the airline trip. The traveler may also be reimbursed for incidental expenses such as toll fees, parking fees, etc.

- ◆ Private Vehicle – If the traveler drives a privately-owned vehicle, reimbursement will be at 44 cents per mile or the airplane fare, **whichever is less**, unless otherwise approved by the Executive Director or designee. The traveler may be reimbursed for meals and lodging for a reasonable amount of travel time; however, the total cost of the trip must not exceed the equivalent cost of the airline trip.
- c. *Documentation* – Submit a schedule comparing the cost of driving with the cost of flying. The schedule should show that the total cost of the trip driving (a simple comparison of mileage reimbursement vs. airline ticket is not acceptable) was less than or equal to the total cost of the trip flying. (For the calculations, use the airline ticket cost described below.) Attach this schedule to the other reimbursement documents.
- d. *Airline Cost Calculation*
 - In-State – A driving instead of flying cost comparison is not required for in-state travel.
 - Out-of-State - The lowest airfare within 30 days prior to the departure date (15 to 30 day advance reservation), round trip mileage from home base to the airport, airport parking at the current long term parking rate, and the cost of a shuttle or taxi – or – the cost of a rental vehicle (if no direct flight is available) will be used when calculating the cost of travel for comparison to private vehicle cost. A comparison print-out is available through the State Travel Office and will be a required attachment when the traveler is taking a private vehicle. A link to the comparison request form can be found on the State Travel website.
- e. *Travel Time* – If travel time taken for driving during the employee's normal work week is greater than that which would have occurred had the employee flown, the excess time used will be taken as annual leave and deducted on the Payroll System.

NOTE: The traveler is responsible for any tax consequences associated with this reimbursement policy.

C. Rental Vehicles

1. In-State Travel

- a. Rental cars for in-state travel should be booked by going to <https://fleetapps.utah.gov/DailyReservations/>. These rentals are billed by Enterprise to each agency. Rental car fuel reimbursement must be requested using the in-state travel reimbursement request form FI-51A or through ESS Travel.
- b. If a rental car is booked directly through the State Travel Office, pre-approval must be obtained in writing in advance by the Executive Director or designee. These rentals are paid by the traveler and then reimbursed using the In-State Travel Reimbursement Form FI-51A.

2. Out-of-State Travel

- a. *Approval* – Use of rental vehicles must be approved in writing in advance by the Executive Director or designee. Any exception to advance approval of the use of rental vehicles will be fully explained **in writing with the request for reimbursement and approved by the**

Executive Director or designee. Detailed explanation is required if a rental vehicle is requested for a traveler staying at a conference hotel. These rentals are paid by the traveler and then reimbursed using the Out-of-State Travel Reimbursement Form FI 51B or FI-51D or through ESS Travel.

b. *Reservations* – Reservations for rental vehicles must be made through State Travel.

3. In-State and Out-of-State Travel

a. *Rent in Traveler's Name* – State employees must rent vehicles to be used for state business in their own names.

b. *Insurance* – All reservations made through the State Travel Office will be booked using State of Utah car rental contracts. These contracts include insurance coverage within the 50 states and the District of Columbia at no additional cost and with no deductible. Risk Management's liability coverage will cover costs in excess of contract limits. **Additional coverage is not required within the 50 states and the District of Columbia, and the traveler will not be reimbursed for the purchase of additional insurance. If the travel is outside the 50 states and the District of Columbia, the additional insurance should be purchased and will be reimbursed.** If the contracted rental car companies do not have vehicles available, a non-contracted rental car company may be used. However, these reservations must be made through the State Travel Office. In these cases, the additional insurance must be purchased and is reimbursable to the traveler.

c. If a vehicle **is not** rented using a State of Utah car rental contract and not booked through the State Travel Office, Risk Management will assess a \$10,000 deductible to any claim except where the traveler can demonstrate that a reasonable attempt was made to use the contract but no automobile was available to the traveler under the contract:

- ◆ at the time needed;
- ◆ at the place needed; **or**
- ◆ of the type needed.

d. *Personal Side Trips* – **Liability and physical damage coverage by the State are for travelers on official state business and necessary associated use only.** It will not extend to side trips and other personal use by the traveler. Travelers should be sure their personal insurance will cover the personal use.

e. *Reimbursement* – The traveler will be reimbursed the actual rate charged by the rental agency. Upgrades in size or model, made when picking up the rental vehicle, will not be reimbursed. The traveler must have approval for a rental car, as described above, in order to be reimbursed for rental car parking.

f. *Fuel* – Traveler must not accept the fuel purchase option upon pick up of the rental car. If this option is accepted, the traveler will not be reimbursed. Traveler must return the rental car with a full tank of fuel, or with the same level of fuel as when picked up. Traveler must pay for the fuel on their own and submit detailed receipts for reimbursement.

g. *Electric Scooters* – are not allowed.

D. State-Owned Aircraft

1. Passengers on State Business - Travel in state-owned aircraft will be primarily for state purposes by state officials, state employees, or other individuals conducting state business. Reservations must be made through the Division of Aeronautics.
2. Passengers Not on State Business – Family or friends may be allowed to travel in state aircraft, provided the following guidelines are met:
 - a. *Approval* – Prior **written approval must be obtained from the Executive Director and the Director of the Division of Finance. Prior approval is necessary to ensure the passenger's trip is authorized and will be insured through the State.**
 - b. *Taxation* – If the normal seating capacity of the aircraft is filled 50 percent or more each way with persons on state business, the value of the family or friend's trip will not be taxable. To be non-taxable, this information must be documented and submitted to the Division of Finance within five business days of the trip.
 - ◆ For taxable trips, the Division of Finance will determine the value of the trip based on the current U.S. Department of Transportation Standard Industry Fare Rates. The trip value will then be added to the related employee's wages subject to FICA withholding and added to the W-2 as wages subject to federal and state taxation.

E. Private Aircraft

1. Approval – Travel by private airplane must be approved in advance by the Executive Director or designee. The approval may be in the form of a memo and must include a statement that the traveler meets the certification and insurance requirements identified below.
2. Certification – The pilot must certify to the Executive Director or designee that he/she is certified to fly the plane being used for state business.
3. Insurance
 - a. *Plane Owned by the Employee* – If the plane is owned by the pilot/employee, he/she must certify the existence of at least \$500,000 of liability insurance coverage. The pilot/owner must also be aware that the State is not responsible for any damage to the plane associated with the trip.
 - b. *Rental Plane* – If the plane is a rental, the pilot must provide written certification from the rental agency that his/her insurance covers the traveler and the State as insureds. The insurance must be adequate to cover any physical damage to the plane and at least \$500,000 for liability coverage.
4. Reimbursement
 - a. If the traveler flies a privately-owned airplane, reimbursement will be at 62 cents per mile or the commercial airline fare, whichever is less, unless otherwise approved by the Executive Director or designee. Calculation will be based on air mileage, and is limited to the most economical, usually-traveled route.

Documentation – Submit a schedule comparing the cost of flying a private airplane with the cost of flying a commercial airline. The schedule should show that the total cost of the trip (a simple comparison of mileage reimbursement vs. commercial airline ticket is not acceptable)

was less than or equal to the total cost of the trip flying on a commercial airline. (For the calculations, use the commercial airline cost described below). Attach that schedule to the other reimbursement documents for the trip.

- c. *Commercial Airline Cost Calculation* – The lowest airfare within 30 days prior to the departure date (15 to 30 day advance reservation), round trip mileage from home base to the airport, airport parking at the current long term parking rate, and the cost of a shuttle or taxi – or – the cost of a rental vehicle (if no direct flight is available) will be used when calculating the cost of travel for comparison to private airplane cost. A comparison print-out is available through the State Travel Office and will be a required attachment when the traveler is taking a private airplane. A link to the comparison request form can be found on the State Travel website.

F. Car Allowances

1. Approval – A car allowance may be allowed in lieu of mileage reimbursement in certain special cases. Obtain **prior written approval from the Agency’s Executive Director, the Executive Director of the Department of Administrative Services, and the Governor. Submit a memo to the Director of the Division of Finance describing the reason and including the following information:**
 - ◆ Name
 - ◆ Employee Number
 - ◆ Department
 - ◆ Division
 - ◆ Agency/Unit
 - ◆ Reason for the car allowance
 - ◆ Monthly amount or pay period amount
 - ◆ Beginning date
 - ◆ Ending date, if applicable
2. Taxation – The full amount of the car allowance is subject to FICA and to federal and state income tax withholding. The individual must keep track of his/her business mileage to claim a business tax deduction on his/her tax return or must submit information to the Division of Finance that will allow for recording only the personal use portion of the vehicle on the payroll system.