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MEMORANDUM

TO: All Travel Designees and Agency Accounting Staff

FROM: Kathleen D. Baxter 
State Comptroller

DATE: July 20, 2023

SUBJECT: In State Actual Expenses – House Bill 68

In the 2023 Legislative Session, House Bill 68 was enacted as Act 2023-292 and will go into effect August 1, 2023. This Act amends Sections 36-7-20 and 21, Code of Alabama 1975. The Act permits the payment of actual and necessary expenses while traveling in state and eliminates the dues paying member requirement for such payment.

No traveler may claim both instate per diem (Section 36-7-20) and reimbursement of actual expenses (Section 36-7-21) for any travel segment. All other policies for claiming reimbursement of instate actual travel expenses remain. The traveler must have written authorization containing estimated reimbursable expenses approved by the agency head as being necessary prior to the travel event. Any travel by an agency head must be approved by the Governor prior to the agency head's departure.

Travelers should use the current government lodging rate for non-conference related travel. A traveler may stay at the hotel that is hosting a conference or event for which the travel occurred and should obtain the government or conference lodging rate. Incurring lodging costs that exceed the government or conference rate must be justified in writing and approved by the agency head prior to travel.

If there are any questions about this directive, please contact the Comptroller's Office Accounts Payable Hotline 242-4444 or email travel@comptroller.alabama.gov.

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Attachments: In-state actual travel regulations from FPPM.

d. Travel Expenses for In-State Actual and Out-of-State

Individuals traveling out-of-state in service of the state or in-state to attend or assist hosting a national, regional, or state conference will utilize the travel request website (oos.alabama.gov) to submit reimbursement requests. Requests for reimbursement should include all required forms, receipts, itineraries and other required documentation. The electronic request and reimbursement forms can be accessed at oos.alabama.gov. These forms, receipts, itinerary and any other attachments to the payment request should be audited by the employee's department before submission to the Comptroller's Office. Agency heads will utilize the website to review and approve travel requests and provide any required certifications.

Meals and Incidental Expenses. Individuals traveling under this section will receive a daily per diem for meals and incidental expenses (M&IE) based upon the location (city) of duty in an amount that corresponds with the U.S. General Services Administration M&IE per diem rates for the continental United States ("CONUS"). Current per diem rates can be found at <https://www.gsa.gov/travel/plan-book/per-diem-rates>. Per diem is a flat-rate allowance intended to cover costs for meals and incidental expenses. A traveler will not be required to submit receipts for these items, nor will they be allowed to claim any extra expense related to them. A traveler will receive per diem, as outlined above, regardless of actual expenses.

Incidental expenses include tips and service charges related to lodging and baggage.

On travel days, the traveler will be entitled to per diem for M&IE at a rate of seventy-five percent (75%) the daily rate. For all other days for which the individual is traveling, full per diem for M&IE will be paid. M&IE will not be paid for personal days.

Travel-related expenses other than meals and incidental expenses require a receipt for reimbursement of actual expenses.

Day trips in and out of state qualify for 75% of CONUS if the trip is more than 12 hours. If the trip is from 6 to 12 hours, it is allowable to claim instate per diem. Trips less than 6 hours do not qualify for reimbursement.

International travel will be reimbursed as actual expenses with receipts but will be limited by the highest US CONUS rate. This rate can be found on the GSA M&IE Breakdown site and is subject to change each year.

Departure and Return. An individual traveling under this section will be allowed to depart home base one day before the event for which the individual is traveling begins and return to home base one day after the event concludes, regardless of the event start time or end time if it is determined by the agency head to be necessary. Agency heads are expected to exercise good judgment and sound fiscal policy when approving travel departure and return dates. The Comptroller's office may require written justification in cases where departure and return dates appear excessive.

Social Events & Activities. Individuals traveling under this section will be allowed to participate in social events or activities that are part of the event for which the individual is traveling (i.e. a conference sightseeing activity) so long as the cost of the social event or activity is included in the overall cost of the conference (i.e. registration fee). The State will not pay additional fees for a traveler to attend such events. Additionally, if the social event or activity requires additional time away from home base that would not occur but for the social event or activity, the travel pre-approval must include written justification from the agency head.

Baggage. For travel under this section, the state will reimburse baggage fees charged by commercial carriers based upon the duration of travel. For trips that last two nights/three days, the state will reimburse a traveler the actual cost for one checked bag. For trips that last three nights/four days to six

nights/seven days, the state will reimburse a traveler the actual cost for two checked bags. For trips that last longer than seven days, the state will reimburse a traveler the actual cost for two checked bags plus the actual cost of laundry service.

A traveler will be required to submit receipts for the cost of checked baggage and laundry service, if applicable, to be reimbursed.

If a traveler is entitled to reimbursement for two checked bags (i.e. if a trip lasts three nights/four days or longer), but instead chooses to check one overweight bag, the state will reimburse the actual cost of the overweight fee provided that it does not exceed the cost of checking a second bag. Receipts for the cost of overweight baggage are required for reimbursement.

Tips for skycaps or baggage handlers are included in per diem for M&IE and will not be reimbursed as a travel-related expense.

Transportation. The traveler is responsible for selecting the mode of transportation, preferably the least costly to the State, and obtaining approval from agency head. The traveler is entitled to reimbursement for actual and necessary expenses incurred based on the authorized mode of transportation. Below are policies and procedures regarding transportation. If a travel scenario exists that is not specifically addressed in the following policies and procedures, agency heads will use discretion in deciding whether to approve a mode of transportation considering the best interest of the state and sound fiscal judgment.

For short distance travel (i.e. less than 8 hours travel time via vehicle), the order of preference for mode of transportation is 1) an agency-owned vehicle; 2) state motor pool vehicle; and 3) the traveler's personal vehicle. Commercial airfare may be utilized for long distance trips. Personal vehicles may be utilized for long distance trips only if the mileage cost for the trip is less than the cost of a round-trip commercial airline ticket or motor pool costs to the travel destination.

An agency head may pre-approve up to \$150 for a traveler to utilize local transit such as taxi or subway service while at the travel location. A traveler must submit receipts for local transit in order to qualify for reimbursement. A traveler who spends more than \$150 on local transportation may be reimbursed for actual expenses in excess of \$150 by providing receipts and additional written justification for the local transit in excess of the pre-approved amount.

If a traveler has an agency-owned vehicle, a motor pool vehicle, or a personal vehicle at the travel site, the traveler may still be authorized by the agency head to utilize local transit during the travel provided that the use of local transit is work-related, reasonable and not excessive. For example, going to dinner while in travel status or to an off-site conference-sponsored event will qualify for reimbursement; going to a nightclub, bar, or sightseeing will not qualify for reimbursement. In cases that qualify for reimbursement, a traveler will be expected to provide an explanation for the expenditure, provide receipts, and will be reimbursed for actual expenses incurred. This is intended to provide flexibility to travelers who are working in a location where driving or parking is particularly difficult or onerous.

The State will reimburse reasonable parking fees. An agency head should only authorize self-parking unless valet parking is 1) the only option available; or 2) no more costly than self-parking; 3) medical, safety or other reasons justify paying for alternative parking options. If other than self-parking is authorized, the reimbursement should contain an explanation and justification for incurring a greater expense for parking.

Mileage Expenses. Reimbursement for mileage expenses for persons traveling in privately owned vehicles is covered by Code of Alabama § 36-7-22, as amended. Effective January 1, 2021, the mileage reimbursement rate is \$.56 per mile. The approved electronic map with mileage calculation must be attached. Mileage reimbursement must be approved by the agency head on the Request for Out of State Travel. Employees who are authorized to travel in either a State or privately-owned vehicle shall be

reimbursed for the amount of parking paid while on travel status. Attorney General's Opinion issued September 8, 1952.

Mileage is to be reported in whole miles. The total number of miles is to be calculated and then multiplied by the current mileage rate for the entire travel statement.

Lodging. A traveler should stay at the hotel that is hosting the conference or event for which travel occurred and obtain the government or conference lodging rate. A traveler may choose a less-expensive hotel provided that the choice of hotel will not substantially increase transportation costs. Incurring lodging costs that exceed the conference or government rate must be justified in writing and approved by the agency head prior to travel.

Tips for bellhop and maid services are included in per diem for M&IE and will not be reimbursed as a travel-related expense.

Annual Leave or Personal Time Before or After an Official Travel Event. Individuals traveling under this section may desire to take annual leave or personal time before or after official travel. In such cases, the State will reimburse a traveler for costs incurred as if the personal time were not included. For example, a traveler attends a conference in service of the state in Scottsdale, Arizona. The conference begins on Monday and concludes on Friday. The traveler desires to spend the weekend sightseeing in Scottsdale, and returns to Montgomery on Sunday. The State will reimburse the traveler the lesser of 1) actual costs of airfare; or 2) for the cost of a round-trip airline ticket as if the traveler departed on Sunday before the conference and returned to Montgomery on Saturday following the conference. The traveler will not be entitled to reimbursement for any expenses incurred following the official travel day. In the hypothetical involving travel to Scottsdale, the traveler would be entitled to reimbursement for lodging costs on Friday night, and partial per diem for Saturday (the official return travel day), but no other expenses would be reimbursed.

Receipts Required. Receipts will be required for the following expenditures, except where the disclosure of the identity of the traveler would be detrimental to the State's interest:

Commercial transportation (economy fare), vehicle rental (the State does not pay for rental insurance), and gasoline purchases.

Motel / hotel lodging (single rate only).

Registration fees with itemized breakdown.

Operating expenses of state-owned vehicles, such as gasoline, oil, and emergency repairs. Repairs must be itemized and conform to Purchasing requirements (Section 6-5, B).

Travel related fees such as parking, toll and/or taxi fees and miscellaneous expenses. Receipts must be itemized. Taxi fees should be shared whenever possible during an event. Miscellaneous expenses must conform to Purchasing requirements (Section 6-5, B).

Completing and Assembling the Payment Request. The Comptroller's Office requires that the hour of departure from and the hour of return to base be shown on the itemized travel form for audit purposes. The approved travel request, pre-authorization, and any required receipts should be attached to requests for reimbursement. If the official travel is attendance at a conference or other planned event, attach a copy of the itinerary. All pre-approval travel requests should be submitted via oos.alabama.gov and reimbursement requests should utilize the form generated by OOS.