

# DST POLICIES AND PROCEDURES

**Section V:** Financial Operations  
**Title:** Accounting Operations  
**Chapter:** Travel Policies and Regulations  
**Current Effective Date:** September 27, 2009  
**Revision History:** July 1, 2008  
**Original Effective Date:** July 1, 2003

## **Purpose and Authority**

Statutory regulations for per diem, transportation, and subsistence allowances for state departments, agencies, boards, commissions, committees, and councils are contained in N.C.G.S. §§ 138-5, 138-6, and 138-7. It is the intent of this document to provide statements of policy to enable state departments and agencies a comprehensive reference for uniform interpretation to pay for reimburse allowable state travel and subsistence. Office of State and Budget Management (OSBM).

## **Policy (Employee Responsibility)**

An employee traveling on official state business is expected to exercise the same care when incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary, unjustified, or for the convenience or personal preference of the employee in their performance are not acceptable under this standard.

The State has authorized the use of credit cards (American Express) for employees during travel on official state business. These cards are distributed at the discretion of the Department head or his or her designee. Employee misuse of state-issued credit cards is grounds for termination.

Employees will be responsible for unauthorized costs and any additional expenses incurred for personal preference or convenience.

Pursuant to N.C.G.S. § 138-6(c) requests for reimbursement shall be filed within 30 days after the travel period ends for which the reimbursement is being requested.

It is the responsibility of the employee to obtain appropriate signature authority on both the travel request and the expense form. It is also the employee's responsibility to understand and comply with ethics guidelines that relate to travel and the acceptance of third party payments [see Reimbursement of Third Party Expenses on page 3]. Any ethics forms and/or disclosures

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associated with the Department of State Treasurer should be filed with the General Counsel or his or her designee.

## Travel Authorization

*Travel Coordination.* Each division is encouraged to appoint a Travel Coordinator who is available to assist employees in making transportation and lodging arrangements and to assist in processing the travel request. Upon completion of the reservations, the employee will be provided with a travel packet that includes an itinerary, ticket information, lodging information, receipt envelope, and applicable materials to facilitate the reimbursement of expenses.

*Authorization to Travel.* All employees are required to complete a Budget Division Authorization (BDA) form prior to all business travel regardless of the funding source. The BDA requires the Travel Coordinator to verify that the hotel selection is necessary and economical in performance of official state business. In addition, the Travel Coordinator must provide justification of hotel selection for all out-of-state travel and for all-in state travel that exceeds the State Budget Manual allowances for lodging. Excess costs, circuitous routes, delays, or luxury accommodations and services unnecessary, unjustified, or for the convenience or personal preference of the employee in the performance of official state business are not acceptable under this standard.

*Completing the BDA Form.* The BDA form is to be completed and submitted to the appropriate authority as soon as the employee has knowledge the trip is necessary. All employees are strongly encouraged to complete the Report of Acceptance of Expenses Paid by Third Party form with the BDA form so that the division head, Chief of Staff and Financial Operations may ascertain the actual or estimate cost. The BDA must be accompanied by the following documents: (1) itinerary; (2) BDA Exception form if lodging or out-of-country meals are in excess of the authorized rate or an out-of-state rental car is requested; (3) airfare summary; and (4) documentation of hotel selection.

If the travel will be paid by a third party, this should be indicated on the travel request form along with the name of the third party.

Approval must be obtained in advance from the Deputy Treasurer of the Division, Chief of Staff, and Financial Operations.

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*Deputy Treasurer Responsibility.* It is the responsibility of the division head to ensure there is adequate backup personnel for travel authorization and expenditure approval. In the absence of the division head, please notify the Chief of Staff and Financial Operations.

*Supervisor Responsibility.* It is the responsibility of each supervisor to monitor employee travel with regard to reasonable modes of transportation, departure and return times, maximization of productive time, and need for travel. It is the responsibility of the supervisor to ensure that the expenses are reasonable, necessary and within state guidelines and that appropriate documentation is attached to the expense reimbursement. Supervisor approval on the travel request form and expense reimbursement form indicates that this review has been performed.

*Retaining the BDA Form.* It is the responsibility of both the Deputy Treasurer of the Division and Financial Operations to retain and maintain the BDA form and all supporting documentation. These forms should be retained consistent with the Department of State Treasurer's record retention policy.

## Reimbursement

*Expense Reimbursement.* To be reimbursed for travel, employees should complete an expense reimbursement form. Employees should attempt to schedule their travel to take advantage of reduced airline fares and to obtain lodging within the state's guideline maximums.

*Minimum Threshold.* The minimum threshold for an employee reimbursement form is \$25.00. Employees may accumulate items for a period of up to three months to meet this threshold. Employee Expense Reimbursement forms that are submitted with items that are not in question will be reimbursed in the next pay cycle. Questionable items will be removed from the reimbursement request, and reimbursed at a later date if deemed allowable.

*Reimbursement of Third Party Expenses.* In some cases, DST may accept third party reimbursement for allowable travel expenses. Third party payment of employee travel expenses do not have an impact on the Department of State Treasurer's funding levels.

Acceptance of third party expense payments or reimbursements is permissible only for items which would otherwise be fully paid or reimbursed by the Department of State Treasurer.

The ethics code intent is that an employee may not accept personal gifts or favors from an outside vendor or service provider. In cases where lodging costs exceed state maximums, approval can be obtained for reimbursement as part of the travel request process, consistent with the Department of State Treasurer's guidelines.

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*Third Party Payment Reporting.* Payments for all items, which are accepted from a third party regardless of payment process, shall be reported by the employee and forwarded to the Deputy Treasurer of the Division and the General Counsel or his or her designee using the Report of Acceptance of Expenses Paid by Third Party form. Consistent with the Department's Statement of Economic Interest Disclosure of Third Party Reimbursements, covered employees must also report all expenses to the State Ethics Commission. This shall be done at the end of the year by completing the annual Statement of Economic Interest form.

When a third party pays for travel, the employee is encouraged to have the Department initially pay for the expenses. Under no circumstances may employees receive direct reimbursements or payment from a contractor, subcontractor, or supplier who: (1) has a contract with DST; (2) has performed under such contract within the past year; or, (3) anticipates bidding in the future. Travel arrangements can be handled by the designated Travel Coordinator. Out-of-pocket costs incurred by the employee should be requested via a travel reimbursement form and submitted to Financial Operations, consistent with general travel procedures. Financial Operations will be responsible for billing the third party and posting the reimbursement.

*Speaking Engagements, Conferences, and Advisory Board Meetings.*

## **Speaking Engagement**

Department employees may participate in a legitimate speaking engagement in connection with their position with DST. However, the acceptance of an honorarium or other form of compensation is strictly prohibited. To be considered a legitimate speaking engagement: (1) the presentation must be formally scheduled on the agenda of a convention or conference; (2) it must be scheduled in advance of the DST employee's arrival at the event; and (3) the presentation must be before an organization that would normally have outside speakers address them at such an event.

## **Conferences and Annual Meetings**

Department employees may participate in a widely attended event where their attendance is in connection with the performance of his or her position with DST. This applies to a broad range of events: a convention, conference, annual meeting, symposium, forum, or panel discussion. Employees can accept a meal at these types of events, provided that applicable requirements are satisfied: (1) invitation comes from the organization that is actually sponsoring the event; (2) there is a reasonable expectation

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that at least 10 persons will attend the event; and (3) invitation is open to other individuals such as similar investors or the public on the same terms.

## **Advisory Board Meetings**

Department employees may attend advisory board meetings within the performance of his or her position and can accept meals provided that applicable requirements are satisfied: (1) the meeting will cover fund performance, acquisition and disposition of strategies and market outlooks; and (2) the meeting will allow employees to meet with fellow investors and provide access to investment information or resources not readily obtainable.

*Traveling with Spouse or Other.* No travel expenses for a spouse or other traveling companion shall be reimbursable. With respect to the cost of lodging, the amount reimbursable to the employee will be equal to the rate of a single room.

*Penalties and Charges Resulting from Cancellations.* Penalties and charges resulting from the cancellation of travel reservations (including airline, hotel reservations, or conference registration) shall be the Department's obligation if the employee's travel has been approved in advance and the cancellation or change is made at the direction of and/or for the convenience of the Department. If the cancellation or change is made for the personal benefit of the employee, it shall be the employee's obligation to pay the penalties and charges. However, in the event of accidents, serious illness, or death within the employee's immediate family or other critical circumstances beyond the control of the employee, the Department may pay the penalties and charges.

The employee must provide written justification for the penalty or charge and attach to the expense reimbursement form. Financial Operations and the Chief of Staff or designee must approve the form.

## **Allowable Travel**

*Lodging.*

### **Authorization**

Written approval by the Department head or his or her designee must be obtained in order to qualify for reimbursement for overnight stays. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from

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the traveler to substantiate that the overnight lodging was necessary and accomplished. The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) or home, whichever is less. The maximum allowable statutory rate (N.C.G.S. § 138.6) for lodging is \$65.90 for in-state and \$78.05 for out-of-state.

The payment of sales tax, lodging tax, local tax, or service fees applied to the cost of lodging is allowed in addition to the lodging rate and is to be paid as a lodging expense.

The employee may exceed the part of the ceiling allocated for lodging without approval for over expenditure provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence for which the employee is eligible (according to time leaving and returning, etc.).

## **Excess Lodging**

Excess lodging authorization for in-state, out-of-state, and out-of-country travel must be obtained in advance from the Department head or his or her designee. Excess lodging is allowed when the employee is in a high cost area and unable to secure lodging within the current allowance, or when the employee submits in writing an opinion that his or her personal safety or security is unattainable within the current allowance. Excess lodging authorization is not allowed for reason of convenience or personal preference for the employee. The employee may exceed the part of the ceiling allocated for lodging without approval from the Department head or his or her designee provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

If the basis for the stay is that the employee is attending a conference or program at the facility or that it enables the employee to gain professional benefits due to the interaction with other attendees, this must be stated on the BDA form. This exception requires approval of the Department head or his or her designee.

## **Telephone During Travel**

Telephone access fees for business calls are considered a miscellaneous expense. Telephone access fees for personal calls are only reimbursable if they comply with this policy [see Telephone Calls policy on page 21].

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## *Meals.*

### **Authorization**

Written approval by the Department head or his or her designee must be obtained in order to qualify for reimbursement for meals. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the traveler to substantiate that the payment for meals was necessary and accomplished.

The maximum allowable statutory rate (N.C.G.S. § 138.6) for meals is \$35.15 per day for in-state travel and \$37.50 per day for out-of-state travel.

The following schedule shall be used for reporting allowable subsistence expenses incurred while traveling on official state business:

	<u>In-State</u>	<u>Out-of-State</u>
Breakfast	\$ 7.75	\$ 7.75
Lunch	\$10.10	\$ 10.10
Dinner	\$17.30	\$19.65

### **Meal Reimbursement**

Each employee is responsible for his or her own request for reimbursement. Tips for meals are included in the meal allowance. Each meal reimbursement rate must be listed on the reimbursement request. Times of departure and arrival must also be listed on the reimbursement request. The costs of meals included in other related activities (registration fees, conference costs, hotel registration, etc.) may not be duplicated in reimbursement requests. If requested, each employee may be reimbursed for breakfast even if their lodging establishment offers a free continental breakfast.

The Deputy Treasurer or designee approving reimbursement for meals is certifying that all state policies and regulations have been met and that meal costs are not duplicated.

### **Meals during Overnight Travel**

A state employee may be reimbursed for meals including lunches, while on official state business when the employee is in overnight travel status. The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) or home, whichever is less.

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## Meals during Daily Travel

Employees may be reimbursed for meals for partial days of travel when in overnight travel status and the partial day is the day of departure or the day of return. The following applies:

- Breakfast: Depart duty station prior to 6:00 a.m. and extend the workday by 2 hours.
- Lunch: Depart duty station prior to Noon (day of departure) or return to duty station after 2:00 p.m. (day of return).
- Dinner: Depart duty station prior to 5:00 p.m. (day of departure) or return to duty station after 8:00 p.m. (day of return) and extend the workday by 3 hours.

The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) or home, whichever is less.

Allowances cannot be paid to employees for lunches if travel does not involve an overnight stay; however, employees can be eligible for allowances for the breakfast and evening meals when the following applies:

- Breakfast: Depart duty station prior to 6:00 a.m., and extend the workday by 2 hours.
- Dinner: Return to duty station after 8:00 p.m., and extend the workday by 3 hours.
- The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) or home, whichever is less.
- Allowances for the breakfast and evening meals for employees working nontraditional shifts must have prior approval of OSBM.

## Meals and Day-to-Day Activities

State employees may not be reimbursed for meals eaten in conjunction with a congress, conference, assembly, convocation or meeting, or by whatever name called, of the employees within a single state department, institution or agency, or between the employees of two or more state departments, institutions or agencies to discuss issues relating to the employee's normal day-to-day business activities.

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## Meals for Required Employee Attendance

A state employee may be reimbursed for meals, including lunches, when the employee's job requires his attendance at the meeting of a board, commission, committee, or council in his official capacity and the meal is preplanned as part of the meeting for the entire board, commission, committee or council. Such board, commission, committee, or council must include persons other than the employees of a single state department, institution, or agency.

## Meals and Commercial Air Travel

Employees are allowed to claim reimbursement for meals even though they are shown and offered as a part of one's flight schedule on a commercial airline.

## Excess Meals

No excess reimbursement will be allowed for meals unless such costs are included in registration fees and/or there are predetermined charges, or the meals were for out-of-country travel. The Department head or his or her designee may grant excess subsistence for meals for out-of-country travel. Prior approval of a BDA Exception form is required.

*Gratuities.* Reimbursable gratuity or tips must be considered reasonable for items that are not already covered under subsistence. Excessive tips will not be reimbursed. A reasonable tip would be one that a prudent person would give if traveling or conducting personal business and expending personal funds.

For further guidance, the following information is provided when calculating a tip:

- Airports: Baggage Handling/Skycaps: no more than \$2 per bag; Shuttle Drivers: no more than \$2 per bag.
- Parking/Auto-Related: Valets: \$2 per car when collecting the car; Taxi Drivers: 15% of the fare and \$1-\$2 a bag.

*Registration Fees.* State law allows reimbursement of the actual amount of convention registration fees by a valid receipt or invoice [N.C.G.S. § 138-6(a)(4)].

*Passport.* Reimbursement for costs incurred in obtaining or renewing a passport may be made to an employee who, in the regular course of his or her duties, is required to travel overseas on

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official state business. Passport expenses are chargeable to the same fund that supports the employee's trip.

*Common Carrier.* Reimbursement for air, rail, or bus fare is limited to actual coach fare, substantiated by receipt. Reimbursement for check-in fees is limited to actual costs substantiated by receipt.

## **Transportation by International Flights**

Employees traveling internationally on overseas flights may be reimbursed actual business class fare (substantiated by receipt) with prior approval of the department head or his or her designee.

## **Frequent Flyer Miles**

Frequent flyer miles earned by a state employee while traveling on state business at state expense are the property of the State. Frequent flyer miles accumulated by an individual state employee during previous state business trips should, to the extent possible, be used by the state employee accumulating the frequent flyer miles while traveling on future state business trips.

## **Coupons or Certificates for Reduced Air Fare**

Coupons or certificates for reduced air fare if acquired by a state employee while traveling on state business at state expense are the property of the State and should be used, to the extent possible, by the state employee on future State business trips.

## **Fees and Service Charges**

With sufficient justification and documentation and with approval of the Department head or his or her designee, state employees can be reimbursed for usual, customary, and reasonable fees and service charges imposed by travel agents for assistance in making travel arrangements. The Financial Operations Division must approve payment of fees and service charges when the above conditions are met prior to travel arrangement confirmation.

*Personal Vehicle.* Actual mileage is reimbursable. Mileage is measured from the closer of duty station or point of departure to destination (and return). The business standard mileage rate set by the Internal Revenue Service (55 cents per mile effective January 1, 2009) will be paid.

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Parking fees, tolls, and storage fees are reimbursable when the required receipts are obtained. A state employee shall be reimbursed the business standard mileage rate set by the Internal Revenue Service when using their personal vehicles for state business when the round trip does not exceed 100 miles and when a state-owned vehicle is not available. However, if a state employee chooses to use a personal vehicle when a state-owned vehicle is available, the Department will reimburse the employee at the motor fleet rate for mileage of 33 cents per mile.

*Rental Vehicles.* Rental vehicles may be used; however, rental vehicles are not to be used at state expense solely for the convenience or personal preference of the employee. A receipt is necessary for reimbursement.

Rental vehicles may be used via the state contract with Enterprise Rent A Car (Enterprise). Each division will have a customer number provided by Enterprise. Optional insurance coverage is not reimbursable for travel. Rental vehicles are covered under the state auto insurance program when a state employee rents a vehicle in the scope and course of employment.

## **In-State (Raleigh Area/Duty Station)**

The employee must provide the customer number in order to rent a vehicle from Enterprise. The employee utilizing Enterprise services in the Raleigh area must provide documentation (stamped FM-2 form) to the Financial Operations Division from Motor Fleet Management (MFM) indicating "no state vehicle was available". No BDA will be required if the employee attaches the documentation from MFM to the Enterprise invoice.

## **In-State (Outside the Raleigh Area/Duty Station)**

Applies to HWTFC employees only: Employees having no access to MFM and/or the state car assigned to the division is unavailable, the employee may utilize a rental vehicle from Enterprise. No BDA will be required if the employee attaches a statement from the Division Director (or his/her designee) indicating "no access to MFM and/or the state vehicle assigned to the Division was not available" to the Enterprise invoice.

## **Outside of North Carolina**

Rental vehicles may be used when approved in advance (via BDA Exception form) by the Chief of Staff or designee and substantiated by receipt (Enterprise Rent A Car or the most economical rental vehicle service available if an Enterprise rental vehicle is unavailable).

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A BDA should be inclusive of all charges to be incurred with the associated expenses. Optional insurance coverage is not reimbursable for travel. When signing the rental contract, decline all optional insurance products as they are included under the state auto insurance program.

Enterprise will direct bill for in-state rental vehicles only. The employee will be reimbursed when utilizing rental vehicles when traveling out-of-state and out-of-country with a receipt and approved BDA Exception form. Invoices from Enterprise will include 8% highway use tax, 3% gross receipt tax, and 5% triangle transit tax.

## Enterprise Rates and Guidelines

Please refer to the North Carolina Department of Administration's website: [www.doa.state.nc.us/pandc/975a.pdf](http://www.doa.state.nc.us/pandc/975a.pdf) and the Enterprise Rent A Car's website: [www.enterprise.com](http://www.enterprise.com).

Compact or intermediate class rentals must be selected for one passenger. The standard class rental may be selected for two or more passengers. All other class rentals must be justified and approved in advance. Unlimited mileage is available on some car classes.

## Airport Rates

The state contract should be utilized at all Enterprise locations for airport travel in the United States. Please utilize customer number **NC53065** for all rental vehicles at airports across the United States to receive the contracted rate.

## Returning the Vehicle

Refuel the vehicle before returning to the Enterprise office to avoid higher gas option charges. If you wish to return the vehicle after operating hours you may leave the keys inside the key drop box located in front of their rental office.

## Making a Reservation

You have several options when making a reservation with Enterprise:

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- Visit [www.enterprise.com](http://www.enterprise.com) to make a reservation. In the reservation screen, use your designated billing customer number to receive the contracted rates. The customer number is NC53065 and PIN number is NCD. This is a specific billing customer number for Department of State Treasurer employees only.
- Call 1-800-RENT-A-CAR and provide the customer service representative with the customer number.
- Call local Enterprise branch directly. This is the option that should be used if a free pick up is needed. Please contact your Division's Travel Coordinator, Enterprise website or contact personnel from Enterprise for a list of all Enterprise locations. You will find that numerous locations are close to where you live and will be extremely convenient. You may also park your personal car at these locations when picking up a vehicle (airport offices are the exception to this rule).

## Billing

Your billing customer number must be provided to have the rental direct billed (contact division representative) for in-state travel only.

## Road Side Assistance

Road side assistance is provided free of charge for all renters. Please call 1-800-RENT-A-CAR for this option.

## Contact Personnel at Enterprise

Mat Mayhew, Regional Corporate Sales Manager  
(919) 657-8927

## Contact Purchasing with Availability/Vendor Issues

Cindy Wood, DST Purchasing Agent  
[Cynthia.wood@nctreasurer.com](mailto:Cynthia.wood@nctreasurer.com)  
919-508-5958

*Transportation by State Vehicle.* Procedures for obtaining and using state vehicles owned by the Division of Motor Fleet Management (Department of Administration) are set out in the Rules and Regulations provided by that division. Every individual who uses a permanently assigned state-owned passenger motor vehicle, pickup truck, or van to drive between his official

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workstation and his home, shall reimburse the State for these trips at a rate computed by the Department of Administration.

## **Non-state Employee Riders**

Non-state employees may accompany state employees in state-owned vehicles when they have a business interest in the purpose of the trip and their presence is related to state business. Students of state universities, colleges, and institutions may be passengers in state-owned vehicles to attend athletic events and other activities officially sanctioned by the institution, provided the proper account is reimbursed at the standard mileage cost rate by the student activity fund involved. Spouses and children of state employees may accompany them in state-owned vehicles, if ample space is available and all travel is strictly for official state business [N.C.G.S. § 143-341.8(i)(7)]. Hitchhikers are not permitted to ride in state-owned vehicles.

## **Transportation by State Vehicle at Destination**

At the employee's destination, state-owned vehicles may be used prudently for travel to obtain meals, but not for private purposes or for entertainment while off duty. No common carrier or public transportation fares are reimbursable on a trip on which an employee uses a state-owned vehicle, unless it is shown that such transportation was more economical in a particular situation.

*Commuting.* No reimbursement shall be made for the use of a personal vehicle in commuting from an employee's home to his duty station. (No mileage reimbursement is allowed to employees on "call back" status. For the state's policy on compensation to employees on "call back" status see the State Personnel Manual.)

*Travel To and From Airport.*

## **Employee's Duty Station**

Reimbursement for travel between the employee's duty station or home (whichever is less) and the nearest airline terminal (or train/bus station if applicable) and for parking may be made under the following circumstances. For travel by:

- Taxi or Airport Shuttle: Actual costs with receipts.

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- Private Car: The business standard mileage rate set by the Internal Revenue Service for a maximum of two round trips with no parking charge, or for one round trip with parking charges. Receipts are required for airport parking claims.
- Use of Public Transportation: In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts: \$5 for each one-way trip from the airport to hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

## Employee's Destination

Reimbursement for travel to and from the airline terminal (or train/bus station if applicable) at the employee's destination may be made where travel is via most economical mode available as listed below:

- Taxi or Airport Shuttle: Actual costs with receipts.
- Rental Vehicles: May be used with the prior approval of the Department head or his or her designee; however, rental vehicles may not be used for the sole convenience of the employee (receipt required). See rental vehicle policy.
- Use of Public Transportation: In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts: \$5 for each one-way trip from the airport to hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

*Parking.* Parking expenses are reimbursable while in the course of conducting official state business as long as such expenses are determined reasonable and clearly show that there was care taken to keep the costs to the State as low as possible. Any parking rates considered excessive and only for the convenience of the traveler will not be reimbursable. For example, excessive or inappropriate parking would be the use of an airport's hourly parking lot for an overnight trip.

*Travel Involving Trips Other Than To and From the Airport .* The actual cost of taxi and shuttle service fares (receipt required) is reimbursable when required for travel on official state business. The request must be documented with a receipt. The use of public transportation is reimbursable for actual costs with a receipt.

*Authorization for Out-of-Country Travel.* All out-of-country travel must be authorized by the Chief of Staff or his or her designee.

Out-of-country travel status begins when the employee leaves the country and remains in effect until the employee returns to the country. If the employee and other qualified official travelers use hotel and meal facilities located outside North Carolina, but within the continental

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United States, immediately prior to and upon returning from out-of-country travel but during the same travel period, out-of-state subsistence rates shall apply.

## State Officials

From time to time, state officials, both elected and appointed, attend functions or meetings that are political in nature. The following policies are intended to be guidelines for the payment of state funds for travel and subsistence costs surrounding the attendance of state public officials at political functions or meetings.

*Travel Related to a Political Function.* No state funds may be used to pay travel and/or subsistence costs for a state official while attending a political function or meeting. In the event, a state-owned aircraft is used, the reimbursement rate will be the actual operating cost rate per flight hour. If a state-owned vehicle is used, the reimbursement rate to the State will be the motor pool rate.

*Travel Related to Official State Business that includes Political Function.* If a trip includes both official state business and political functions or meetings, state funds may be used to pay up to one-half of the travel and/or subsistence costs. In the event that a state-owned aircraft is used, the cost to the State will be charged at the regular rate per flight hour and the charge to a non-state source will be at the actual operating cost rate per flight hour. If a state-owned vehicle is used, the reimbursement rate to the State will be the motor pool rate.

*All Other Travel.* Travel reimbursement policies and regulations for all other travel for state officials is the same as for state employees.

## Members of State Boards, Commissions, Committees, and Councils (Other Than Licensing Boards of the General Assembly)

*Per Diem.* Pursuant to N.C.G.S. § 138-5(a)(1), non-state employees who are members of state boards, commissions, committees, and councils shall receive \$15 per day of official service. State employees and members of all state boards, commissions, and councils whose salaries or any portion of whose salaries are paid from state funds shall receive no per diem compensation from state funds for their services. It is the responsibility of the fiscal officer of the board, commission, committee, or council to insure that such per diem compensation is not paid to state employees.

OSBM has clarified this to define “day of official service” as the day(s) that meetings are held. If members travel on days before or after the meeting, they may not receive per diem for the “travel only” days. For example:

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If a member of a board travels from Asheville to Raleigh on Wednesday for a board meeting on Thursday and returns on Friday, they would only receive per diem for Thursday (the day of the meeting).

*Subsistence.* Meal subsistence for non-state employee members of state boards, councils, commissions, or committees is a daily, lump-sum allowance payable per day of official service. The subsistence reimbursement for actual lodging expenses must be documented by a receipt of actual lodging expenses from a commercial establishment. Meals and lodging are to be reimbursed as follows:

- In-State Travel
  - \$35.15 for meals.
  - Actual expenses up to \$65.90 lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.
- Out-of-State Travel
  - \$37.50 for meals.
  - Actual expenses up to \$78.05 lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.
  - OSBM has clarified this to define “day of official service” as the day(s) that meetings are held. For the "travel only" days, they will be reimbursed in exactly the same manner as regular state employees.

*Excess Subsistence.* Authorization for excess expenses for in-state or out-of-state travel may be granted by the Department head or his or her designee (division director or board chairperson) when such costs are included in registration fees and/or there are predetermined charges.

*Out-of-State Travel.* Expenses for out-of-state travel on official business shall be reimbursed only upon authorization obtained in the manner prescribed by regulations governing out-of-state travel for state employees.

*Meetings.* Refreshments, i.e., coffee, soft drinks, cookies, doughnuts, may be served at official board meetings. Reimbursement may be paid from state funds for actual cost not to exceed \$4.50 per member and required staff, per meeting per day. "Required staff" shall be defined as an employee who, in the regular course of his duties, is expected to attend the meeting and any other employee whose presence is necessary to accomplish a purpose of the meeting.

*Transportation.* Transportation policies and regulations are the same as for those for state employees, except that a mileage reimbursement rate set by any other law by reference to N.C.G.S. § 138-6(a)(1) is established at 33 cents a mile, not the IRS rate.

# DST POLICIES AND PROCEDURES

*Subsistence of State Employees serving as Board Members.* As allowed under N.C.G.S. § 138-6, a state employee who is a member of a state board, commission, committee or council that operates from funds deposited with the State Treasurer, may be reimbursed for actual cost of any meal (including lunch) eaten while on official state business if the meal is preplanned as part of the meeting for the entire board, commission, committee, or council. However, when an overnight stay is required, the state employee is limited to a daily reimbursement as follows:

- In-State Travel
  - \$35.15 for meals.
  - Actual expenses up to \$65.90 lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.
- Out-of-State Travel
  - \$37.50 for meals.
  - Actual expenses up to \$78.05 lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.

*No Overnight Stay.* When an overnight stay is not required, the state employee is allowed actual cost of any meal (including lunch) eaten while on official state business if the meal is preplanned as part of the meeting for the entire board, commission, committee or council.

*Other Meals.* If the employee is eligible for reimbursement for any other meal, that reimbursement is limited by the same reimbursement amounts and regulations as those allowed for in-state and out-of-state travel by a state employee who is not a member of a state board, commission, committee, or council.

## **Members of the General Assembly Serving on State Boards, Commissions, Committees, and Councils**

*Per Diem Compensation.* Pursuant to N.C.G.S. § 120-3.1, per diem compensation is not applicable.

*Subsistence.* A member of the General Assembly shall receive a subsistence allowance for meals and lodging at a daily rate (which is currently \$104) equal to the maximum per diem rate for federal employees traveling to Raleigh, North Carolina, as set out at 58 Federal Register 67959 (December 22, 1993), while the General Assembly remains in session, and, except as otherwise provided in this subsection when, with the approval of the Speaker of the House in the case of Representatives or the President Pro Tempore of the Senate in case of Senators, the member is: (1) traveling as a representative of the General Assembly or of its committees or commissions; or (2) otherwise in the service of the State.

# DST POLICIES AND PROCEDURES

*Excess Subsistence.* A member who is authorized to travel, whether in or out of session, within the United States but outside of North Carolina may elect to receive, in lieu of the amount provided in the preceding paragraph, a subsistence allowance of \$26.00 a day for meals, plus actual expenses for lodging when evidenced by a receipt satisfactory to the Legislative Services Officer, not to exceed the maximum per diem rate for federal employees traveling to the same place, as set out at 58 Federal Register 67950-67964 (December 22, 1993) and at 59 Federal Register 23702-23709 (May 6, 1996).

*Transportation.* A member will receive a travel allowance at the rate equal to the business standard mileage rate set by the Internal Revenue Service whenever the member travels, whether in or out of session, as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission.

*Convention Registration.* Convention registration policies and regulations are the same as for those for state employees.

## **Non-State Employees**

Non-state employees may be those on official state business whose expenses are paid by the State and subject to state regulations, such as prospective professional employees, public school and community college employees, students on official state business, and attendants of handicapped state employees traveling on official state business (provided advance approval is obtained from Department head or designee). Non-state employees are not family members of state employees, students attending athletic events, student organization events (these should be paid from trust funds or fees levied to support these activities), or students traveling for their own academic purpose.

Non-state employees traveling on official state business whose expenses are paid by the State are subject to these regulations, including statutory subsistence allowances, to the same extent as are state employees. Travel expenses for members of a non-employee's family are not eligible to be paid by the State. No travel advances will be made to non-state employees.

*Prospective Professional Employees.* A Department head or his or her designee is authorized to approve reimbursement of transportation expenses of prospective professional employees visiting state departments for employment interviews. These expenses are limited to transportation and subsistence for 3 days (5 days if one is a Saturday) at the in-state rate. Excess lodging expenses may be approved by the Department head or his or her designee.

# DST POLICIES AND PROCEDURES

*Students.* Students at state institutions who travel on official state business are reimbursed at the same extent as are state employees. All other student related travel must be paid from non-state funds supporting that particular organization or activity.

*Attendants.* Payment of travel and subsistence expenses (motel and meal costs) for attendants for handicapped employees while traveling on official state business may be reimbursed to the same extent as are state employees if advance approval is obtained from the Department head or his or her designee.

## Telephone Calls

*Long Distance.* Employees are not allowed to charge long distance phone calls to the State for calls made of a personal nature, except as stated below. All long distance calls that are to be paid by the State are those made pursuant to the employee conducting official state business.

*Reimbursement.* Official phone calls are reimbursable under "Miscellaneous." Individual calls over \$5.00 must be identified as to point of origin and destination.

*Allowable Personal Calls.* An employee who is in travel status for two or more consecutive nights in a week is allowed one personal long distance telephone call for each two nights for which reimbursement to the employee may not exceed \$3.00 for each in-state call or \$5.00 for each out-of-state call. Documentation is required for reimbursement.

*Employee Emergency Calls.* Employees may use the state network system, state credit card, or may be reimbursed for a personal long distance call(s) if such call(s) is/are of an emergency nature as determined by the Department. An example is a call made when an employee calls home to inform someone that the travel period has been extended beyond original plans due to unforeseen reasons.

*Mobile Telephones.* Because mobile telephone charges (cellular and digital) are based on measured use, no personal calls should be made on mobile telephones except in case of emergency as determined by the Department. Mobile telephone calls to conduct official state business should only be used when more economical means of telephoning are not reasonably available.

If an employee uses his or her personal mobile telephone in conducting state business, the employee can be eligible for reimbursement. In order for the agency to reimburse the employee, the employee must indicate on his or her telephone bill the reimbursable calls, individuals called, and nature of calls and submit the telephone bill to their supervisor for approval. If the supervisor approves the calls as state business related, the agency will reimburse the actual billed cost of the call.

# DST POLICIES AND PROCEDURES

*Use of Telephone with Computer Hook-ups.* Employees traveling on official state business needing to transmit data via their computers should use the most efficient manner available, including services available through the State's Information Technology Services (ITS) access such as air card and broadband services.

## **Exceptions**

Any exception to the rules and regulations as herein stated in the State Budget Manual, except those expressly delegated, must be approved in advance by the Office of State Budget and Management.

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