

DST POLICIES AND PROCEDURES

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Background

The Office of State Budget and Management (OSBM) governs the State Budget Manual, which is a guide to state departments and agencies in discharging their duties under applicable laws and regulations. The content of this Travel Policy is required by and consistent with OSBM’s State Budget Manual (including changes effective November 1, 2015). In addition to the required content, specific requirements of the NC Department of State Treasurer (Department or DST) are found below to ensure DST compliance with state policies and regulations and sound management practices. The symbol “→” precedes each DST requirement.

Purpose

Statutory regulations for per diem, transportation, and subsistence allowances for state departments, agencies, boards, commissions, committees, and councils are contained in G.S. 138-5, 138-6, and 138-7. It is the intent of this Policy to provide DST a comprehensive reference for uniform interpretation to pay or reimburse allowable state travel expenses pertaining to official travel and subsistence.

Related Statutes, Rules, and Policies

G.S. 138-5, 138-6, and 138-7 (State laws on travel expenses and reimbursements)

G.S. 138A-22 to 138A-28 (Statement of Economic Interest generally)

G.S. 120C-800 (Statement of Economic Interest – “scholarship” question)

State OSBM Budget Manual (pages 119 to 142), available at

<https://ncosbm.s3.amazonaws.com/s3fs-public/documents/files/BudgetManual.pdf>

DST Expense Reimbursement Policy (FOD-POL-5020)

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Employee Responsibility

An employee traveling on official state business is expected to exercise the same care in 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 the performance of official state business are prohibited. Pursuant to 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.

→ Employees are also expected to reasonably attempt to book hotels and flights at optimal times in order to reduce costs. Flights and hotels should be booked 30 business days (6 weeks) in advance of a trip. Employees should also use online coupons and discounts when available. Flights and hotels requested outside of this window for booking must first be approved by the division director and then approved by the Chief of Staff.

Official State Business

These policies are intended to apply only to those state employees, board members, or other persons on official state business. Official state business occurs when the state employee or other person is traveling to attend approved job related training, work on behalf of, officially represent, or provide a state service upon the state's request. Travel that would not directly benefit the state will not be reimbursable.

→ The trip's purpose should be explained on the BDA Form in the "Official State Business Purpose" text box.

→ Completion of the Budget Division Authorization (BDA) Form

A Budget Division Authorization, or "BDA," Form is required **before** all out-of-state travel and all in-state travel involving excess lodging over the state's standard rate. Attachments to the BDA must include the following if applicable:

- Itinerary and/or agenda
- Hotel comparisons based on destination for travel on official state business
- Airfare summary
- Budget Division Authorization (BDA) Exception Form (Required only if excess lodging is requested or in certain other circumstances. See next paragraph for details.)
- Third Party Disclosure (Required only if a third party will be paying for any portion of the travel expenses. For details, see section of this Policy entitled "Third Party Payment Reporting.")

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A BDA Exception Form must be attached to the BDA Form when:

- Excess lodging is requested over the State’s standard rate (attach hotel comparisons)
- Excess meals (i.e. out of the country travel)
- Transportation exception (attached rental car comparison)
- A meeting agenda is not yet available, but will be on a date closer to the trip (include in explanation under “Other” on the form)
- Another exception from this Policy is requested (justification required)

A chart to determine when a BDA Form is required is attached as Appendix A. A list of each Appendix to this Policy can be found below for easy reference:

- Appendix A - Budget Division Authorization (BDA) Chart.
- Appendix B - Budget Division Authorization (BDA) Form.
- Appendix C - Budget Division Authorization (BDA) Exception Form.
- Appendix D - Third Party Disclosure Form

→ Submission and Approval Process for the BDA Form

Appendix A is a chart showing which DST personnel must approve travel of certain types.

BDA Forms are not required for travel that is only in-state and does not involve excess lodging over the per diem rates. (The current lodging per diem rates are listed on Compass at <https://compass.nctreasurer.com/fod/Pages/Home.aspx>.) BDA Forms are required for all other travel which would involve expenses being charged to the state.

All BDA Forms should be approved by the Division Head*, the Financial Operations Division, and the Chief of Staff or his or her designee.

When the Division Head has approved the employee for travel, air travel should be purchased without a BDA being complete and approved if the flight is **under \$750** for domestic and international flights.

BDA Forms should be forwarded to the Financial Operations Division for processing no less than 30 business days (6 weeks) in advance of travel, except in the following limited circumstances.

- In cases of urgent and pressing circumstances that prevent normal notice, a BDA Form may be forwarded to the Financial Operations Division less than 30 business days (6 weeks) before travel begins, but BDA forms must be completed and signed by the Division Head*, Financial Operations Division, and the Chief of Staff or his or her designee before travel begins.

* The Division Head may delegate signatory authority in situations where the Division Head is out of the office or otherwise cannot communicate and travel would begin within thirty business days.

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- In cases of critical emergencies in which travel must begin as soon as possible, verbal approval from the Division Head must be obtained before any travel begins, and documents must be submitted as soon as possible following beginning of the trip.

The Accounting Technician will review and sign off on the BDA and send it to the Chief of Staff for final approval within 2 business days of receipt. Designees of the Chief of Staff for BDA Form approval are the Chief of Staff, Deputy Chief of Staff, General Counsel, and Deputy General Counsel. Any of these designees may provide approval, based on which designees are available on any particular date.

If the BDA has not been returned by the Chief of Staff to FOD approved within 5 business days, the Accounting Technician will do a follow up on the BDA's status. The traveler should have a copy of the approved BDA in hand prior to the travel date.

→ Revised BDAs

A revised request must be submitted prior to travel if the estimated expenses in the original approved BDA exceed 10% and/or \$100 per day when arrangements are made. A revised request is the original BDA with all the revisions clearly identified.

→ BDA Form Requirements If Itinerary Combines Business and Personal Travel

If an employee traveling on official state business combines the trip with personal travel, the cost of travel to the state must not exceed what the cost would have been without the personal travel.

If the employee is combining official state business and personal travel, the BDA Form should:

1. Clearly define the dates and times of the personal travel.
2. Provide a cost comparison against an itinerary that would have included only travel on official state business.

If the cost to the state is lower because the employee combined official state business and personal travel, the employee will not be compensated for the savings. With the approval of the Division Head, an employee can combine official state business and personal travel while compensating the state for the additional costs due to the addition of personal travel to the trip. This must be clearly shown in the Expense Reimbursement Form for the trip.

→ Reimbursement Requests

Once travel is complete, employees may submit a reimbursement form as indicated in the DST Expense Reimbursement Policy. Pursuant to G.S. 138-6(c), requests for reimbursement shall be

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filed within 30 days after the travel period ends for which the reimbursement is being requested. Employees requesting reimbursement more than 30 days after the travel period ends must receive approval from the Division Head.

→ Third Party Payment Reporting

Employees should report any travel expenses potentially paid for by a third party to their Division Head using the Third Party Disclosure Form. This form must be attached to the BDA Form. Consistent with the State Government Ethics Act, covered employees must report certain expenses listed on the Third Party Disclosure Form to the State Ethics Commission. This is done at the end of the year by completing the annual Statement of Economic Interest form.

A third party may pay for travel expenses either directly or by DST initially paying the expenses, then the third party reimbursing DST. Reimbursements from third parties must be paid to DST, not the employee directly.

Employees may have current or potential DST contractors, subcontractors, or suppliers pay expenses for travel, but only if:

1. The travel is performed on the employee's official state business and
2. The expense is disclosed on a Third Party Disclosure Form (Appendix D) that is approved before travel begins as part of a BDA Form packet.

Unless both (1) and (2) above are true, Sections 133-32 and 138A-32 of the General Statutes generally prohibit the current or potential DST contractor, subcontractor, or supplier from paying for travel.

Travel arrangements can be handled by a designated person in each section or division (i.e. administrative assistant). Travel expenses not paid for by a third party should be documented and reported consistent with general DST travel procedures, i.e., BDA and travel reimbursement forms must be filed and submitted to Financial Operations. Financial Operations will be responsible for billing the third party and posting the reimbursement with a completed Appendix D following travel.

Subsistence Rates

Subsistence is an allowance related to lodging and meal costs (including gratuities) (G.S. 138-6). Subsistence is provided if the employee is on travel status during a particular period of time. For the purposes of determining eligibility for subsistence allowances, travel status means being away from the employee's normal duty station or home and, while traveling, the employee must be acting in his or her official capacity as required by his or her work activities.

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The maximum allowable statutory rate for meals and lodging (subsistence) for in-state travel and out-of-state travel is listed on Compass at <https://compass.nctreasurer.com/fod/Pages/Home.aspx>. The Director of the Budget at OSBM revises the subsistence rates periodically based on the percentage change in the Consumer Price Index for All Urban Consumers (G.S. 138-6(a)(5)). 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 (G.S. 138-6(a)(3)).

Tips and Gratuity

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/AutoRelated:
 - Valets = \$2 per car when collecting the car
 - Taxi Drivers = no more than 15% of the fare and \$2 a bag

Out-of-State Travel

Out-of-state travel status begins when the employee leaves the state and remains in effect until the employee returns to the state. However, in-state allowances and reimbursement rates apply when employees and other qualified official travelers use hotel and meal facilities located in North Carolina immediately prior to and returning from out-of-state travel during the same travel period.

Authorization for Lodging

BDA approval by the department head or his or her designee must be obtained in order to qualify for reimbursement for any overnight stays that involve excess lodging. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from 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 or home, whichever is less, to receive approved reimbursement. "Duty station" is defined as the location where the employee is assigned. The designation of an employee's home as the duty station requires the approval of the State Treasurer.

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→ The Department of State Treasurer no longer requires BDA Forms to be submitted solely because the travel involves an overnight stay. Division Heads may require additional procedures or pre-approvals for overnight travel of employees in their divisions.

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 prior approval provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

→ A BDA Exception Form is **required** if excess lodging is requested. Hotel comparisons are required as additional documentation for confirmation that an economical accommodation was selected. Comparison information may utilize websites such as kayak.com or expedia.com for free quotes.

Third Party Lodging

Reimbursement for lodging in an establishment that is being rented out by a third party or an establishment treated as an apartment building by state or local law or regulation is not allowed unless approved by OSBM in advance. Requests for third party lodging must provide evidence of savings to the State. An exception may be granted by OSBM for requests that show no savings with sufficient justification to support the necessity for third party lodging. Third party lodging agreements are not allowed among family members.

In each case where third party lodging is being considered, the applicant must provide his or her budget officer and OSBM all details regarding the arrangement, including the amount to be charged, the length of stay, and contact information. A signed rental agreement and documentation of agency budget office and OSBM approval must be presented to receive reimbursement.

→ Note that under this section of the State Travel Policy, obtaining lodging through AirBNB, VRBO.com, or other home-sharing services requires prior approval by the State Office of Budget & Management. Therefore, these home-sharing services are discouraged.

Penalties and Charges Resulting from Cancellations

Charges and resulting penalties from the cancellation of travel reservations (including airline, hotel, or other travel reservations and 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

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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 charges and penalties upon approval of the Division Head.

Authorization for Meals

BDA Form 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.

→ Employees must include estimated daily meal expenses by day on the BDA forms.

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 destination must be located at least 35 miles from the employee's regularly assigned duty station (vicinity) or home, whichever is less, to receive approved reimbursement.

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:

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- Breakfast (morning): depart duty station prior to 6:00 a.m. and extend the workday by 2 hours.
- Dinner (evening): 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 in conjunction with a congress, conference, assembly, convocation or meeting, or by whatever name called, of 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.

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 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.

Alcoholic Beverages and "Set-ups"

Payment or reimbursement for alcoholic beverages or "set-ups" cannot be made from state funds. Individuals must bear these costs.

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→ Out-of-Country Meals

To receive excess subsistence for out-of-country travel, the employee must complete the BDA Exception Form. Under Department of State Treasurer policy, an employee traveling overseas on state business may either receive a standard “per diem” rate for international meals based on the destination country, or may obtain approval for actual meal costs with receipts.

If a BDA Exception Form is approved by the Division Head, the employee may receive reimbursement for the standard U.S. Department of Defense “Local Meals” per diem rate for the destination country. International “Local Meals” per diem rates are available at <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm> . The Dept. of Defense “Local Meals” rate is a flat daily rate; if the employee was out of country for only a portion of the day, the Department of Defense rate should be prorated 20% for breakfast, 27% for lunch, and 46% for dinner. The employee should include a printout of the applicable rate with the BDA Exception Form.

The employee may receive reimbursement for meals in excess of the Department of Defense *per diem* rate by estimating actual international meal costs on an approved BDA Form, then providing actual receipts of those meals. No reimbursement in excess of the Department of Defense *per diem* rates will be provided for out-of-country meals, even if the employee provides actual receipts, unless the meals were listed on a BDA Form that was fully approved prior to travel. The meals must be no higher than 10% or \$100 above the estimate listed on the BDA Form. Reimbursement will never be provided for alcoholic beverages on receipts.

Convention Registration

State law allows reimbursement of the actual amount of convention registration fees as shown by a valid receipt or invoice [G.S. 138-6(a)(4)].

Passports

Reimbursement for costs incurred in obtaining or renewing a passport may be made to an employee who, in the regular course of his duties, is required to travel overseas in the furtherance of official state business. Passport expenses are chargeable to the same fund that supports the employee's trip.

Transportation by 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.

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→ Three transportation comparisons are required as additional documentation for confirmation that an economical selection was chosen. Comparison information may utilize websites such as kayak.com or expedia.com for free quotes.

→ **Transportation by Car Service, Shuttle, or Ride-Sharing Service (Uber, Lyft, Etc.)**

Employees have an obligation to act as prudently as possible with state funds, and are actively encouraged to cut costs when possible. Where an employee's official state business involves ground transportation that ordinarily would have been accomplished by taxicab, the employee may instead utilize a town car service, shuttle service, or commercial ride-sharing service (such as Uber or Lyft). However, reimbursement to the employee will be no more than what would have been the cost of transportation by taxicab, including tip, in the same circumstances. It is the employee's burden to demonstrate the cost of transportation by taxicab, including tip, in these circumstances. Employees are encouraged to choose the service that offers the lowest price.

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.

→ Approval of an overseas business class fare must be indicated on a BDA Exception Form signed by a Division Head.

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 *before expiration*.

→ Employees should document all state frequent flyer miles that they have currently accumulated on behalf of the State in their BDA. Employees should also document whether or not miles were used for the trip.

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.

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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.

→ Ordinary airline fees (such as baggage fees) are allowable and should be included in the estimate on the BDA Form.

Transportation by State Vehicle

Procedures for obtaining and using DST state vehicles are set out by the DST Building Coordinator in OST or the respective division to whom the car is assigned as applicable. Employees should utilize these vehicles prior to using their personal car for trips exceeding 100 miles. Every individual who uses a permanently assigned state-owned passenger motor vehicle, pickup truck, or van to drive between his official workstation and his home shall reimburse the State for these trips at a rate computed by the Department of Administration.

Transportation by a Rental Vehicle

Rental vehicles may be used for out of state travel; 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. No reimbursement will be made for rental insurance purchased because state employees are covered under the State's auto insurance program. However, reimbursement for automobile rental insurance will be permitted for individuals engaged in state business during travel to international destinations. See State contract at <http://www.pandc.nc.gov/975b.pdf> for further information when renting a vehicle for traveling on official state business.

→ Use of a rental car must be pre-approved by the Division Head on a BDA Exception Form.

Transportation by Personal Vehicle

With regard to passenger vehicle travel, whether in-state or out-of-state, DST travel policy shall:

- Maximize utilization of State-owned vehicles (agency-owned or agency-assigned vehicles owned by the Department of Administration),
- Make use of State term contracts for short-term rentals (State Term Contract 975B Vehicle Rental Services), and
- Reimburse for use of personal vehicles on a limited basis.

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If a state employee chooses to use a personal vehicle, actual mileage is reimbursable. Mileage is measured from the closer of duty station or point of departure to destination (and return). A DST employee shall be reimbursed the business standard mileage rate set by the Internal Revenue Service (53.5 cents per mile effective January 1, 2017) when using her/his personal vehicle for state business when the round trip does not exceed 100 miles per day of travel. However, if a DST employee chooses to use a personal vehicle when the round trip exceeds 100 miles per day of travel, then DST will reimburse the employee at the business standard mileage rate set by the Internal Revenue Service for 100 miles per day with any additional miles over 100 miles per day of travel reimbursed at the medical or moving purposes rate set by the Internal Revenue Service (17 cents per mile effective January 1, 2017). Parking fees, tolls, and storage fees are reimbursable when the required receipts are obtained

Transportation by Chartered Aircraft

The use of charter aircraft must be approved by the department head or his or her designee, provided the following is substantiated and put in writing attached to the BDA Form:

- A state aircraft is not available or not appropriate for the size of the party traveling or the destination airport.
- The use of a charter flight is more economical than a commercial flight.
- The use of a charter flight is necessary because of unusual travel circumstances.

Use of Aircraft Owned by a State Employee

Reimbursement for costs incurred in the use of aircraft, owned by a state employee, on official state business may be approved by the department head or his or her designee, provided the following is substantiated and put in writing:

- The use of the aircraft owned by a state employee is necessary because of unusual travel circumstances and is not for the sole convenience of the employee who owns the plane.
- The use of the aircraft, owned by a state employee, at the rates published below, is cheaper than any other method of air travel.
- The allowable reimbursement rate for aircraft owned by a state employee is \$0.68 per mile per passenger.

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

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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 space is available and all travel is strictly for official state business [G.S. 143- 341(8)(i)(7) grants Department of Administration rule-making authority in this area]. 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/from Airport at 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.
- 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. (The current mileage rate can be found on Compass at <https://compass.nctreasurer.com/fod/Pages/Home.aspx>.)
- 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 either from the airport to the hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

Travel to/from Airport at 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:

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- Taxi or Airport Shuttle service – 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, a receipt is required, and the use of the rental vehicle must have been pre-approved by the Division Head on a BDA Exception Form.
- 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 either from the airport to the 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. An example of excessive or inappropriate parking would be the use of an airport’s hourly parking lot for an overnight trip.

→ At the Raleigh-Durham Airport, DST will not reimburse an amount greater than the rates offered at the entry plaza for the “ParkRDU Central” facility (\$14/day, or \$2/hour up to 4 hours).

Travel Involving Trips Other than to and from the Airport

The actual cost of taxi and shuttle service fares 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 department head or such department official designated by him or her.

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 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.

→ Once the employee leaves the United States, the Department may provide out-of-country meal rates if approved on a BDA Exception form. See the “Out-of-Country Meals” section of this Travel Policy for further details.

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→ DST staff strongly prefer, whenever possible, that out-of-country costs be paid by credit card, which provides a clear exchange rate for individual transactions, rather than being paid in cash. If an employee pays expenses in cash during international travel, the employee will not be reimbursed for the foreign exchange costs on cash that was exchanged to the local currency, but not spent on the trip. For international expenses paid in cash, DST may also choose to reimburse at the day's commercial exchange rate rather than whatever exchange rate was used by the traveler.

Travel Advances

→ The DST does not issue advances to employees to travel on state business.

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.

Use of Internet During Travel Status

Employees traveling on State business who need to transmit data electronically (including email) or use the Internet for State business purposes should use the most cost-efficient manner available, including services available through the State's Information Technology Services (ITS) access.

Travel Policies for State Officials

- **Political Functions** - State officials, both elected and appointed, sometimes attend political functions or meetings. The following policies are intended to be guidelines for the payment from 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 Functions** - 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.

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

→ Conferences

For any trips to external conferences on official state business, employees should keep in mind the State Budget Manual’s requirement that the conference be planned in detail in advance, with a formal agenda or curriculum. See page 136 of the State Budget Manual for further details.

Other Expenses

Special circumstances and expenditures not discussed in this policy should have **prior** review and approval by the Division Head on the BDA Exception Form. Items purchased without prior approval may be the obligation of the individual.

Nature of the Policy

This Policy concerns only the internal management of the Department of State Treasurer. If this Policy directly or substantially affects any procedural or substantive rights or duties, it does so only for persons who are (or were) Department employees or contractors.

Roles and Responsibilities

Task	Responsible Party
Compliance with Travel Policy	All – BDA Preparer, Traveler, Division Reviewer, FOD Reviewer, Treasurer Reviewer
Completion of BDA Form with all required attachments	BDA Preparer and Traveler
Determination of BDA Exception Form to be used	BDA Preparer and Traveler
BDA form has been completed properly and sufficient supporting documentation exists	Division Reviewer
Sufficient funding exists for estimated expenditures	Division Reviewer
Purpose of BDA is consistent with DST’s goals and mission	Division Reviewer
All required documentation included in BDA package, including Division Reviewer approval	FOD Reviewer
Division Reviewer and FOD Reviewer approval is documented	Treasurer Designee (Treasurer, Chief of Staff, Deputy Chief of Staff, General Counsel, or Deputy General Counsel)

DST POLICIES AND PROCEDURES

Implementation and Enforcement

The Chief Financial Officer shall have authority to interpret and apply this procedure. This policy may be modified or amended at any time. Misuse or attempts to circumvent the policy may result in additional requirements for documentation and/or disciplinary action. Failure to comply with this policy could result in disciplinary action up to and including dismissal.

References

- OSBM Budget Manual
- OSBM Memorandums
- Department of Administration, Division of Purchase & Contract – Statewide Contracts
- Appendices

Revision/Review History

Version/Revision	Date Approved	Description of Changes
V 1.1	7/1/2003	Policy creation
V 1.2	7/1/2007	Revised annual rate changes
V 1.3	7/8/2008	Revised annual rate changes
V 1.4	11/1/2009	Revised annual rate changes
V 1.5	4/1/2012	Revised annual rate changes and added BDA instructions
V 1.6	11/1/2013	Revised annual rate changes
V 1.7	11/1/2013	Revised annual rate changes
V 1.8	3/31/2015	Minor annual updates
V 1.9	9/30/2015	Revised annual rate changes
V 2.0 (revised)	7/1/2016	Revised forms; new sections on car service; several revisions to clarify text
V 2.1	12/22/2016	Personal vehicle section updated to incorporate changes to OSBM manual for reimbursement rates
V 2.2	01/25/2017	Technical change; updated annual rate changes pursuant to January 1, 2017 North Carolina Budget Manual
V 3.0	05/9/2017	Requirement to book travel at least 30 days before travel, requirements to utilize coupons and specials, documentation of frequent flier miles, and prudence in reducing costs during travel

For questions or clarification on any of the information contained in this policy, please contact the policy owner or designated contact point: **Joan Fontes at 919-814-3898 or joan.fontes@nctreasurer.com** . For general questions about Department-wide policies and procedures, contact the [DST Policy Coordinator](#).

Appendix A to DST Travel Policy - Budget Division Authorization (BDA) Chart

Action		BDA Form Required?	When May Travel Be Booked?	Division Head* Approval Needed?	Financial Operations Approval Needed?	Chief of Staff or Designee** Approval Needed?
In-State travel & no excess lodging over per diem		No	After supervisor or Division Head approves***	Yes	No	No
Out-of-state travel or travel with excess lodging over per diem	Involves Continental U.S. airfare of \$750 or less per person	Yes	After Division Head approves <i>(Documentation to be submitted with BDA)</i>	Yes	Yes	Yes
	Involves travel outside U.S. or airfare greater than \$750	Yes	After Chief of Staff or designee approves	Yes	Yes	Yes

* For BDA approval purposes, Division Heads for each division are as follows:

- | | |
|---|--|
| 1110 General Administration | Chief of Staff (Chris Farr) |
| 1130 Unclaimed Property | Deputy Treasurer (Brenda Williams) |
| 1150 Information Technology | Chief Information Officer (Bill Golden) |
| 1210 Investment Management | Chief Investment Officer (Kevin SigRist) |
| 1310 State and Local Government Finance | Deputy Treasurer (Greg Gaskins) |
| 1410 Retirement | Executive Director (Steve Toole) |
| 1510 Financial Operations | Chief Financial Officer (Fran Lawrence) |
| 2100 State Health Plan | Executive Administrator (Mona Moon) |

The Division Head may delegate signatory authority in situations where the Division Head is out of the office or otherwise cannot communicate and travel would begin within 30 business days.

** Designees of the Chief of Staff for BDA Form approval are Chief of Staff, Deputy Chief of Staff, General Counsel, and Deputy General Counsel. Any of these designees may provide approval, based on which designees are available on any particular date.

*** Division Heads may require additional procedures or pre-approvals for overnight travel of employees in their divisions.

Appendix B to DST Travel Policy - Budget Division Authorization (BDA) Form
 (Available as Excel spreadsheet on Financial Operations Division intranet site)

**NORTH CAROLINA DEPARTMENT OF STATE TREASURER
 BUDGET DIVISION AUTHORIZATION**

THIS FORM IS REQUESTED FOR:

- Initial Request Revised Request Other

DATE SUBMITTED

TRAVELER(S)								
PURPOSE OF TRIP/BUSINESS CASE (ENTER DETAILS TO RIGHT): <input type="checkbox"/> Business Meeting <input type="checkbox"/> Due Diligence <input type="checkbox"/> Conference/Training <input type="checkbox"/> Other			BUSINESS JUSTIFICATION & STATE PURPOSE:					
MODE OF TRANSPORTATION:		LOCATION:		SOURCE OF FUNDS:				
REQUESTING DIVISION:			DEPARTMENTAL APPROVAL					
BUDGET DIVISION AUTHORIZATION (BDA) PREPARER:			DIVISION HEAD:		DATE:			
CONVENTION REGISTRATION \$0			FINANCIAL OPERATIONS APPROVAL:		DATE:			
TOTAL ESTIMATED EXPENDITURE \$0.00			DATES OF TRAVEL PERIOD BEGINNING:		PERIOD ENDING:			
<p>BUDGET DIVISION AUTHORIZATION REQUIREMENTS: A Budget Division Authorization (BDA) Form is <u>required</u> for all out-of-state travel and in-state travel involving excess lodging. Attachments to the BDA must include the following if applicable:</p> <input type="checkbox"/> Itinerary and/or Agenda <input type="checkbox"/> Hotel comparisons based on location of the state business (BDA Exception Form required if excess lodging is requested) <input type="checkbox"/> Airfare summary <input type="checkbox"/> Airfare comparisons based on official state business itinerary <input type="checkbox"/> Rental car (A BDA Exception Form is required for all vehicle rentals) <input type="checkbox"/> Budget Division Authorization (BDA) Exception Form if applicable <input type="checkbox"/> Third Party Disclosure if applicable A revised request must be submitted prior to travel if the estimated expenses in the original approved BDA exceed 10% and/or \$100 per day when arrangements are made. <input type="checkbox"/> Other								
ESTIMATED EXPENDITURE BREAKDOWN								
	ITEM	COST	BREAKFAST	LUNCH	DINNER	DATES COVERED	EST. PAID BY DST	EST. PAID BY FIRM
	HOTEL							
	AIRFARE							
	BAGGAGE							
	MEALS							
	Tel							
	MILEAGE							
	PARKING							
	REGISTRATION	\$0.00						
	TOTAL	\$0.00	\$0.00	\$0.00	\$0.00			
STATE TREASURER OR DESIGNEE APPROVAL								
COMMENTS OR REPLY:								
STATE TREASURER OR DESIGNEE:				DATE:				

NCOST Travel Policy & Expense Reimbursement Policy, Version 2.0 (revised)

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Appendix D to DST Travel Policy - Third Party Disclosure Form

(Available as Excel spreadsheet on Financial Operations Division intranet site)

NORTH CAROLINA DEPARTMENT OF STATE TREASURER

THIRD PARTY DISCLOSURE FORM

Submitted by: _____
 On the following day(s): _____
 I am attending the following conference, function or subject of due diligence meeting: _____
 at the invitation of the following sponsor or organizer: _____

and, in accordance with the Department of State Treasurer's Travel Policy and N.C.G.S. §§ 138A-32(f) and 120C-800, I may receive and will accept, on behalf of the State of North Carolina and not for my personal benefit, the following paid items from the above-referenced sponsor. I further represent and warrant that such expenses are incurred in pursuit of duly authorized business for the Department of State Treasurer and the approximate value of these items (set forth below) was within the established state employee reimbursement guidelines or otherwise reasonable and necessary under the circumstances.

Any special circumstances (check all applicable to conference, function, or meeting):

- Participation will provide DST with access to investment information or resources not otherwise readily obtainable.
- Attendance is integral to investigation, analysis, closing or management of DST investment, proposal or opportunity.
- Open to other similar investors or the public on same terms.
- Hospitality will be provided to attendees by or on behalf of sponsor as integral part of event.
- Other: _____

Before travel begins, employee should complete the "Estimated" section on the left, sign, and enclose this document with the BDA Form.
After travel is complete, employee should complete the "Actual" section on the right, sign, and enclose this document with the Expense Reimbursement Request.

Estimated expenditures			Actual expenditures	
DST to bill third party	Third party will pay directly		DST to bill third party	Third party will pay directly
		Transportation - Air		
		Transportation - Ground		
		Lodging		
		Meals and subsistence (including any coffee or light refreshments at the meeting)		
		Registration Fees		
		Other		
\$ -	\$ -	Total	\$ -	\$ -

Completed by employee <u>before</u> travel or event:	Completed by employee <u>after</u> travel or event:
Signature _____	Signature _____
Date: _____	Date: _____

Contact information for sponsor or organizer:

Contact name _____
 Company _____
 Address _____
 Phone and Email _____

NOTE: Receipt of expenditure from third party is not authorized until Division Head approves attached BDA Form.