

Borough Travel and Per Diem

A. Purpose

To establish the policies and procedures for approving Borough travel, for the payment of travel per diem, and for the reimbursement of authorized travel expenses.

B. Travel and Approval Policy

1. All Kenai Peninsula Borough ("Borough") employees and officials, including elected and appointed members of boards and commissions, must have all travel approved in accordance with this Policy. Expenses incurred for Borough travel not in compliance with this policy will not be paid or reimbursed.
2. It is the policy of the Borough that travel for official business be in the most direct and economic way to accomplish the business.
3. Travel shall only be approved for travel that is necessary and prudent and when one or more of the following criteria are met:
 - a) The travel is required to achieve operational, legislative, or service objectives of the Borough.
 - b) The travel is required to support state or federal effort, which are beneficial to the Borough.
 - c) The travel is mandated by the state or federal government.
 - d) The travel is for specific training, which is required for employees to perform borough functions, such as training on technological advances or for required certifications.
 - e) The travel is for specific training, that will result in a significant cost savings or cost avoidance to the Borough. Such cost savings or avoidance shall be demonstrated prior to approving any out-of-state training.
 - f) The travel is required to attend a national or state board, committee meeting or conference as a borough representative, and the exchange of information or participation will result in an economic benefit to the Borough.
4. Travel under the following conditions shall not normally be approved when costs are at borough expense. When approved, written justification shall have been prepared by the traveler and included on or attached to the Travel Authorization Form.

- a) Travel by first class or business class air accommodations.
- b) Travel by other than the most economic and direct route.
- c) Rental car class above mid-size rate.

5. Use of rental vehicles

The Borough is self-insured; therefore, if a rental vehicle is approved for the travel, **vehicle insurance is not required**. However, self-insurance is not applicable for any period that the vehicle may be used for personal reasons. Insurance coverage during such periods is the responsibility of the traveler.

If a car is rented during travel and an accident occurs, the traveler shall advise the investigating officers that the Borough is self-insured and immediately contact Risk Management at (907) 714-2351.

6. Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) (29 C.F.R. & 785.39) specifies that if employees who are not exempt under the FLSA (which generally includes classified and certain other personnel) shall travel during normal working hours (i.e., 8:00 a.m. to 5:00 p.m.) on non-work days (i.e., Saturday or Sunday for an employee who works Monday through Friday) the time of travel during the normal work hours is compensable. Generally, travel on a common carrier such as an airplane or train during times outside of the normal work hours is not compensable. However, employees who work while traveling must be compensated for time worked, and employees required to drive or be a passenger in an automobile must be compensated, all in accordance with the following table.

Department heads should contact Human Resources at 714-2131 for further details. The chart below summarizes the compensatory requirements for travel on a common carrier.

	<u>Work day</u>	<u>Non-Work Day</u>
Normal Work Hours	Compensable	Compensable
Normal Non-Work Hours	Not Compensable	Not Compensable

C. Travel and per diem policy

It is the policy of the Borough to reimburse employees for the following actual and necessary expenses incurred while on official Borough business, provided the travel was properly authorized and approved in advance.

1. **Air Travel Costs.** The Borough will pay for all costs of air transportation that are directly related to travel on official business. The most economical and direct route possible shall be utilized. Any costs for deviation from the most economical and direct route possible is the responsibility of the employee.
2. **Private Vehicle Costs.** The Borough will reimburse travelers for use of their privately owned vehicle at the rate of 64.5 cents per mile (52.5 cents for those receiving a car allowance) not to exceed the cost of coach class airfare. If vehicle travel is used instead of airfare for the employee's convenience, extra travel time must be charged to leave time if it is paid by the Borough. If two or more employees travel in the same vehicle, the reimbursement will not exceed the cost that would have been incurred had they all traveled by air. Only the owner of the vehicle may claim reimbursement for mileage. Rates are subject to change pursuant to the collective bargaining agreement. Mileage reimbursement rates are set at the federally recognized cost of operating the vehicle. In addition to gas, oil, and wear and tear, this reimbursement rate includes the portion of the cost of insurance for when it is driven on Borough business.
3. **Travel to Anchorage/Mat-Su.** The Borough will reimburse travelers to the Anchorage/Mat-Su area for use of their privately owned vehicle at the rate at the rate of 64.5 cents per mile (52.5 cents for those receiving a car allowance). These rates will be adjusted in accordance with the collective bargaining agreement.
4. **Borough Vehicle.** The Borough will reimburse the cost of fuel and other vehicle operating costs actually incurred by the employee. No reimbursement for mileage will be allowed.
5. **Lodging Costs.** The Borough will pay lodging costs (room and tax) only at an economy and single occupancy rate, unless two Borough employees share a double room and then a double occupancy rate will be paid. Government rates shall be requested and used whenever possible. Room tax will not be reimbursed if eligible for exemption. PO's should be used to procure lodging in the State of Alaska, which should prevent room tax from being bill. Room tax could become the responsibility of the traveler if a PO is not used.
6. **Per diem:**
 - a) Within the state of Alaska, the Borough will pay up to \$50 per diem for meal and incidental expenses (as defined by the Internal Revenue Service,

"incidental expenses include laundry, tips and refreshments"). The \$50 rate includes \$11 for breakfast, \$14 for lunch, and \$25 for dinner. Rates outside the state of Alaska will be based upon the Federal per diem rates.

- b) A deduction to per diem will be made for meals paid for separately by the Borough and meals paid for by others. This includes meals paid in advance and/or included in registration fees and business meals reimbursed to the traveler or reimbursed to another Borough traveler as a business meal, (See Policy no TR-02, Reimbursement of Business Meal Expenses) Meals provided by airlines do not impact per diem entitlement. Continental breakfasts which are provided do not impact per diem entitlement.
- c) In lieu of receiving meal and lodging expenses, if those do not exceed \$80 per day, a flat per diem of \$80 will be paid.
- d) The Internal Revenue Service requires that per diem be pro-rated for partial days of travel, which will occur on departure or arrival from the Borough. The following is the departure and arrival pro-rating. This pro-rating is based on the Internal Revenue Service "consistent application and reasonable business practice" rule, the actual departure and arrival of the aircraft will be used to determine the times. If traveling by private vehicle, the times are based on the actual departure and arrival time from the point of origin.

Departure time	Allowance
12:01 am to 10:00 am	\$ 11
10:01 am to 3:00 pm	\$ 14
3:01 pm to 12:00 midnight	\$ 25

Arrival time	Allowance
12:01 am to 10:00 am	\$ 11
10:01 am to 3:00 pm	\$ 14
3:01 pm to 12:00 midnight	\$ 25

- e) Per Diem rates adjustments
 - 1) Out of state rates are adjusted annually per www.gsa.gov
 - 2) In state rates are adjusted pursuant to the collective bargaining agreement.
- f) An employee may receive a meal allowance when they are requested by their department head to work through lunch, with prior approval.

7. Car Rental Costs. The Borough will reimburse car rental costs only if car rental was approved on the Travel Authorization Form, and then only for the days/mileage necessary to conduct official business. In unusual circumstances, reimbursement for car rental without pre-authorization may be authorized by the

approving authority if there is valid justification. Car rental expenses without pre-authorization may become the responsibility of the traveler.

8. Laundry and Dry Cleaning Costs. The Borough will reimburse reasonable and necessary laundry and dry cleaning costs after the traveler is away from the Borough on official business for more than five days, excluding travel time. Certain unusual circumstances, such as official functions with high level government officials, presentations at formal dinners or functions or travel overseas may present circumstances where the five-day limit may be waived. Waivers will be requested in writing and submitted with the travel expense report. Laundry and dry cleaning costs are included in the federal per diem rate for meals and incidental expenses. Therefore, the reimbursement will be included in the traveler's taxable wages as excess per diem in accordance with requirements of the Internal Revenue Service. Laundry and dry-cleaning costs should have specific justification attached to the travel expense report.
9. Registration Fees. The Borough may make advance payment or reimbursement for education/training fees. Fees for entertainment, spouse activities, and similar expenses are the responsibility of the traveler and will not be paid by the Borough.
10. Other Expenses. The Borough will reimburse taxi, telephone calls and other official expenses when shown to be directly related to official business. Reasonable calls home will also be reimbursed.
11. Business Meals. The Borough will reimburse necessary business meal expense in accordance with Policy No TR-02, Reimbursement of Business Meal Expenses.
12. Travel Advance. The Borough may make travel advance payments when requested, not to exceed the estimated amount of per diem and cab fare. Payments will be made on the regularly scheduled pay date prior to the traveler's scheduled departure date. A travel reimbursement form with the appropriate receipts will be required to be completed upon the traveler's return.

D. Responsibility

1. The Mayor or designee shall approve all travel outside the Borough and Anchorage/Mat-Su area for all Borough employees, including board members and commission members except Borough Clerk staff and Assembly members.
2. The Assembly President or designee shall approve all travel outside the Borough and Anchorage/Mat-Su area for all Borough Clerk staff and Assembly members.
3. Department heads shall:
 - a) Approve all department travel that requires mayoral or assembly president approval prior to being submitted for their signatures.

- b) Ensure that Borough funds are spent in a prudent manner resulting in maximum benefit to the Borough.
 - c) Ensure the travel requested is budgeted within the department's budget.
 - d) Ensure that reimbursement is received by the Borough when the employee reimbursement form indicates that reimbursement for all or part of the expenses is due.
4. The Controller shall:
- a) Ensure that travel has been approved prior to making any travel related payments, e.g. hotel deposits or registration fees.
 - b) Review all travel reimbursement reports to ensure that travel payments and reimbursements are made in accordance with this policy/procedure.
 - c) Require specific justification for actual expenses that deviate more than 10 percent higher than authorized. Depending on the circumstances and amount of the deviation, the travel expense report may be forwarded to the mayor for review and approval.
5. Travelers shall:
- a) Incur only those expenses that are necessary and reasonable to accomplish the approved purpose of the trip.
 - b) Maintain a travel log or other record of travel dates and expenses to sufficiently itemize and support business expenses, obtain original receipts needed for reimbursement of lodging, car rental, gasoline, and other expenses.
 - c) Submit original receipts that indicate purpose, date, and amount.
 - d) Ensure all business expenses incurred and submitted for reimbursement are in compliance with this policy/procedure.
 - e) Submit reimbursement within 60 days after travel has been completed and/or within 30 days after the end of the fiscal year.

E. Travel Approval Procedures

1. A Travel Authorization Form (TR-01) shall be completed by the traveler immediately upon determining that travel outside the Borough and Anchorage/Mat-Su area is required.
2. The traveler shall submit the completed Travel Authorization Form and any additional written justification to the appropriate endorsing and approving authority.
3. A copy of the approved Travel Authorization Form including any written justification shall be forwarded to the finance department.

F. Exceptions

1. The Borough Mayor or Assembly President, as applicable, are the only persons authorized to approve any exceptions to this policy.

Approved:

David R. Carey, Mayor Date