

From the State Budget Manual: Chapter 5
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Travel Policies for State Employees

Per Diem Compensation

Per Diem compensation is not applicable for state employees, only to members of State Boards, Commissions, Committees and Councils who do not receive any salary from state funds for their services.

Subsistence Rates

Subsistence is an allowance related to lodging and meal costs (including gratuities) (G. S. 138-6). For the purposes of determining eligibility for 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/her official capacity as required by his/her work activities. The maximum allowable statutory rate for meals and lodging (subsistence) is \$97.75 for in-state travel and \$111.00 for out-of-state travel. The Director of the Budget revises the subsistence rate 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)). 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 that the employee is entitled to for that day does not exceed the maximum allowed daily subsistence (G.S. 138-6(a)(3)). The following schedule shall be used for reporting allowable subsistence expenses incurred while traveling on official state business:

	In-State	Out of State
Breakfast	\$ 7.50	\$ 7.50
Lunch	\$ 9.75	\$ 9.75
Dinner	\$16.75	\$19.00
Lodging	\$63.75 (actual, up to)	\$75.50 (actual, up to)
Total	\$97.75	\$111.75

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

Prior 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 there imbursement 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 by a department head requires prior approval by the Office of State Budget and Management (OSBM) on an annual basis.

Reimbursement for Lodging

Each employee is responsible for his or her own request for reimbursement. 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. Requests for reimbursement shall be filed within 30 days after the travel period ends for which the reimbursement is being requested. [G.S. 138-6\(c\)](#). Specific dates of lodging must be listed on the reimbursement request, and substantiated by a receipt from a commercial lodging establishment, not to exceed \$63.75 per night for in-state lodging or \$75.50 per night for out-of-state 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. Telephone access fees for business calls are considered a miscellaneous expense. Telephone access fees for personal calls are not reimbursable. Baggage handling tips may be claimed as "Miscellaneous." Excessive tips must be documented with a receipt.

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/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 department head of his or her designee provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

Penalties and Charges Resulting from Cancellations

Penalties and charges resulting 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 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.

Authorization for Meals

Prior 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.

Reimbursement for Meals

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. Departure and arrival times 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. An employee may be reimbursed, if requested, for breakfast even if their lodging establishment offers a free continental breakfast.

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:

- 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.

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 cost 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.

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.

Super Saver Rates

When traveling by common carrier to conduct official state business, employees traveling to their destination earlier than necessary and/or delaying their return to avail the state of

reduced transportation rates may be reimbursed subsistence for additional travel days if, in the opinion of the department head or his or her designee, the amount saved due to the early and/or delayed travel is greater than the amount expended in additional subsistence. When the reduced airfare rates require staying overnight one Saturday night, to be eligible for reimbursement, the state employee must stay overnight on the Saturday closest to the first or last day of official state business to which the employee is attending. With sufficient justification, the department head or his or her designee can make an exception to this requirement prior to travel commencing.

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 services charges imposed by travel agents for assistance in making travel arrangements.

Transportation by 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 (**50.5 cents per mile effective January 1, 2008**) will be paid. Parking fees, tolls, and storage fees are reimbursable when the require receipts are obtained.

Effective immediately, all departments and agencies may reimburse state employees at the statutory rate (50.5 cents) when using their personal vehicle for state business when:

1. The round trip does not exceed 100 miles or,
2. A state-owned vehicle is not available.

However, if a state employee chooses to use a personal vehicle when they do not meet the above criteria they will be reimburse at the motor fleet rate for mileage (25 cents per mile effective January 1, 2006).

Transportation by a Rental Vehicle

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.

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

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:

- 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.

Transportation by 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 \$.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 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 Services 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 either from the airport to hotel/meeting or from the hotel/meeting to the airport.

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:

- 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 (receipt required).
- 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 hotel/meeting or from the hotel/meeting to the airport.

Travel Involving Trips Other than to and from the Airport

The actual costs of taxi and shuttle service fares are 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.

Travel Advances

All employees who travel on state business may be issued advances when authorized by the department head or his or her designee in order that personal funds will not be required. Fiscal records must be maintained by the department for proper control.

Eligibility for advances and reporting requirements are as follows:

- **State Employees who have been issued state credit cards** for travel purposes should not be issued travel advances, unless there is substantiated justification.
- **Travel advances for occasional travel** must not exceed the estimated cost of the trip and may not be issued more than five working days prior to the date of departure. Advances must be deducted from the reimbursement request on the travel expense report which shall be submitted within 30 days after the travel period or June 30, whichever comes first.
- **Travel advances for regularly scheduled travel** for employees who travel each month, an annual advance of funds equal to the average monthly expense may be made. All reimbursement requests shall be filed and paid monthly for incurred expenses and the advance must be repaid as of June 30 annually or earlier if required by the agency. If it is determined that the monthly reimbursement has averaged less than the annual advancement, the advance must be reduced to the newly established amount.