

Department of Fire Services
Travel Expense Reimbursement
Policy and Procedures

PURPOSE

The purpose of this policy is to provide guidelines to govern the travel of all DFS employees on Commonwealth business. These guidelines apply to in-state and out-of-state travel, including privately subsidized travel.

HIGHLIGHTS OF CHANGES

1. Establishes clear and consolidated guidelines that meet the Internal Revenue Service (IRS) criteria so that travel reimbursements will NOT be reportable income.
2. Effective July 1, 2004, employee reimbursements will no longer be paid through the accounting system (MMARS), but rather through the payroll system (HRCMS). These payments will be included in the employees' bi-weekly pay. There is no change to tax reporting.
3. Establishes greater confidentiality of employee information. To pay employees through the accounting system (as we have in the past), the employee must be registered as a vendor in that system. This functionality exposes employee information to more individuals than necessary. Using HRCMS limits public access to that information.
4. Creates consolidated remittance information. Employees' bi-weekly pay stub will now include all payments to employees. This will better address a frequently expressed employee concern that the current process provides inadequate information on payments for reimbursements.
5. Direct Deposit accounts for employee travel and expenses will be identical to those accounts established by the employee in the payroll system. If an employee currently receives their regular salary payment by direct deposit, their reimbursement payment will also be to the same direct deposit account. If an employee currently receives their regular salary payment by check, their reimbursement payment will be included with the check mailed to their home address.

POLICY

General Requirements

All official DFS travel must be consistent with the following principles:

1. Travel must serve a legitimate public purpose, be essential to the performance of official duties, and be in support of DFS mission.
2. Travel arrangements must be cost effective. DFS employees must use DFS and Statewide contracts to purchase travel services.
3. Travel must be consistent with the relevant rules of the Human Resources Division, Comptroller, Operational Services Division, as well as applicable collective bargaining agreements.

4. All DFS travel must be approved in advance by the traveler's supervisor. For in-state travel, the approval process is to be maintained in the traveler's department in whatever format the department manager chooses. For out-of-state travel and privately subsidized travel, the Commonwealth's Travel Authorization Form (TAF) process must be followed.
5. Reimbursement of travel expenses will only be made for actual and necessary expenses essential to the performance of official DFS duties. All claims for reimbursement must be documented and must include original receipts.

Responsibility of the Traveler

DFS employees on travel have the responsibility to:

- act prudently and to only incur travel expenses which are necessary and reasonable in accordance with DFS policy;
- obtain prior authorization for travel;
- may not authorize or approve their own travel reimbursements;
- promptly submit reimbursement requests for travel related expenses;
- retain copies of approved reimbursement requests to match with payroll stubs and to avoid duplicate submissions.

Responsibility of the Division Director

The Division Director is responsible for approval and control of travel by employees, including approval of all travel reimbursement requests. The Division Director is responsible to ensure:

- adequate funds will be available;
- the trip occurred in support of DFS official business; and
- the Travel Expense Reimbursement Form and all attached documentation is accurate and in accordance with all applicable reimbursement rates, policies and guidelines.

Responsibility of Administrative Services

The Administrative Services Division is responsible for establishing travel procedures that provide quality travel services for the employees and maximize cost savings. These responsibilities include:

- establishing guidelines and procedures that meet IRS criteria so travel reimbursements will NOT be reportable income;
- ensuring that travel reimbursement policies and procedures meet all contractual agreements and state and federal requirements;
- clearly communicating guidelines, procedures and responsibilities to travelers, division directors, and agency staff; and
- promptly and accurately issuing travel reimbursement payment.

PROCEDURES - CLASSIFIED EMPLOYEES

The following procedures are for all DFS full-time and part-time classified employees. Classified employees are union, management and confidential employees.

Process

- All travel requires pre-approval from your supervisor.
- All overnight travel requires written pre-approval from your supervisor.

- Expenses to be paid to the traveler after-the-fact no longer require the submission of a purchase requisition to DFS Fiscal Office.
- Expenses to be paid on behalf of the traveler (i.e., registrations, airline tickets, hotels, etc.) continue to require submission of a purchase requisition to DFS Fiscal Office in advance of the travel.
- Travel expense reimbursement forms can be obtained from , the shared j:\public\forms computer folder or the DFS Human Resources Office. Travel expense reimbursements for out-of-state trips can not be submitted until the trip is complete and must include all expenses on one submission.
- You must attach a copy of your EOPSS approved out-of-state Travel Form to your out-of-state travel reimbursement or it will not be approved by your Division Director.
- Completed travel reimbursement forms, including all supporting documentation and your Division Director's approval, should be submitted bi-weekly with your timesheet to the Human Resources Office.
- Always retain a copy of your reimbursement form with your Division Director's approval.
- Payments will be disbursed within 2 paycheck cycles following receipt of approved travel reimbursement forms.
- Supporting receipts should be neatly attached to plain white paper and itemized.
- Meal reimbursement requests only require supporting receipts for out-of-state travel and should be neatly attached to plain white paper and itemized.
- Any questions regarding travel policies and procedures, form completion, or acceptability of documentation should be directed to the Director of Human Resources.

Allowable Expenses

1. Automobile Guidelines.

DFS will provide a fleet vehicle for employee use for official travel. DFS will provide gas, a gas card and a turnpike fast-pass device for fleet vehicles. DFS will reimburse travelers for the cost of parking when free parking can not be obtained in advance by the Facilities Unit. Travelers must follow DFS Fleet Usage Policies.

When a fleet vehicle is unavailable, DFS will reimburse travelers the standard Commonwealth mileage allowance, currently \$0.45/mile. This mileage rate covers all automobile expenses such as fuel, maintenance, insurance, tolls and parking. In addition to the standard mileage allowance, necessary and reasonable charges for auto-related ferry fees may be direct-billed with written pre-approval of your Division Director.

Certain Bargaining Unit employees may additionally be eligible for a car allowance when authorized to use their personal vehicle for travel related to his/her employment. The allowance shall be paid quarterly based on the rates included in the collective bargaining unit agreements.

2. Meal Guidelines

Reimbursement shall be allowed for actual meal expenses incurred, including tips, not to exceed the rates established by your collective bargaining unit agreements or manager's red book, currently as follows:

Alliance: Breakfast: \$2.50 Lunch: \$4.00 Supper: \$7.00

Moses:	Breakfast: \$3.50	Lunch: \$5.50	Supper: \$8.50
Nage:	Breakfast: \$3.75	Lunch: \$6.50	Supper: \$9.50
Managers:	Breakfast: \$6.00	Lunch: \$8.00	Supper: \$16.00

The rates for lunch and supper may be reversed at the option of the person when entitled to both meals in one day. The rates above shall apply only when meals are not included in the rate charged for lodging or otherwise included in registration or conference fees. Lunch is not reimbursable unless travel is greater than 24 hours. Meal receipts are required only for out-of-state travel.

3. Other Expense Guidelines

Written prior approval is necessary for any overnight stays or out of state travel. DFS will reimburse for other associated travel expenses including conference registration fees, hotels, public transit fees, taxis, and car rental when direct bill arrangements are not an option. Employees are required to first pursue direct bill arrangements via a Purchase Request prior to incurring out-of-pocket expenses. Generally, all such items can be direct-billed when planned in advance.

It is important to remember that requests for reimbursement will not be approved by Division Directors and will not be forwarded to Human Resources if receipts are missing. If there is no documentation for the expenditures it will not be processed and it will be returned to the traveler. Reimbursement of any employee expenses shall be contingent upon submission of requests to the Human Resources Department within a reasonable timeframe, which is generally within 30 days of travel completion but not later than July 31st for expenses incurred in the prior fiscal year.

PROCEDURES - NON-CLASSIFIED EMPLOYEES

The following procedures are for all DFS part-time, non-classified employees. Non-classified employees are employees hired through a Human Resources service contract.

Process

- Non-classified employees will refer to the contract addendum for rules governing travel expense reimbursement.
- Travel reimbursements may not exceed the dollar limits itemized in annual service contracts, unless rate increases have been implemented by DFS management to recognize unusual economic fluctuations in travel costs.
- All travel requires pre-approval from your supervisor.
- All overnight travel requires written pre-approval from your supervisor.
- Expenses to be paid to the traveler after-the-fact no longer require the submission of a purchase requisition to DFS Fiscal Office.
- Expenses to be paid on behalf of the traveler (i.e. registrations, airline tickets, hotels, etc.) continue to require submission of a purchase requisition to DFS Fiscal Office in advance of the travel.
- Salary for time spent travelling requires submission of travel information on the AutoPay daily sign-in sheets.
- Mileage expense reimbursements require submission of starting and ending location and odometer readings on the AutoPay daily sign-in sheets.
- Use of a state vehicle or carpooling must be indicated via a check-off on the AutoPay daily sign-in sheets.

- Meal expense reimbursements require request to be submitted via a check-off on the AutoPay Daily sign-in sheets.
- You must attach a copy of your EOPSS approved out-of-state Travel Form to your out-of-state travel reimbursement or it will not be approved by your Division Director.
- All travel reimbursement requests should be submitted bi-weekly with your timesheet to the Human Resources Office.
- Always retain a copy of your reimbursement request with your Division Director's approval.
- Payments will be disbursed within 2 paycheck cycles following receipt of approved travel reimbursement forms.
- Meal reimbursement requests only require supporting receipts for out-of-state travel and should be neatly attached to plain white paper and itemized.
- Any questions regarding travel policies and procedures, form completion, or acceptability of documentation should be directed to the Director of Human Resources.

Allowable Expenses

1. Meal Guidelines.

Reimbursement shall be allowed for actual meal expenses incurred, including tips, not to exceed the following:

Non-classified: Breakfast: \$5.00 Lunch: \$6.50 Supper: \$13.00

The rates for lunch and supper may be reversed at the option of the person when entitled to both meals in one day. The rates above shall apply only when meals are not included in the rate charged for lodging or otherwise included in registration or conference fees. Meals are only allowed if you are staying over night. Meal receipts are only required for out-of-state travel.

2. Automobile Guidelines.

Non-classified employees will be paid for travel in accordance with their contract addendum, currently as follows:

Mileage reimbursement to cover the cost of personal vehicle usage shall be made to the driver for any round trip over 70 miles at a rate of 45 cents per mile. Salary shall be paid to the driver or passengers (e.g. carpooling) for time spent travelling for any round trip over 70 miles based on the following matrix. All carpooling events must be indicated on the person's auto pay sheet, including the driver's name.

Round Trip Distance	Time Allowance	Mileage Allowance
0 to 70 miles	0 hours	0 cents
71 to 120 miles	1 hour	0.45 cents per mile
121 to 170 miles	1.5 hours	0.45 cents per mile
171 to 220 miles	2 hours	0.45 cents per mile
221 plus (+) miles	2.5 hours (max. allowed)	0.45 cents per mile

Mileage reimbursement is not allowed when using a state vehicle. Mileage reimbursement or salary is not allowed for any travel to and from your home and your assigned principal work location, as such transportation expenses are considered personal commuting expenses. Your principal work location is

established by assignment of the Agency. This location is based on where you conduct the majority of your business, regardless of where you may have your permanent residence. Employees are eligible for reimbursement between their principal work location and their temporary work location(s), including travel between the DFS Stow and DFS Springfield campuses. Employees are eligible for reimbursement between their home and their temporary work locations(s) for any round trip over 70 miles. Employee expense reimbursements must clearly indicate the actual starting location of the travel.

DFS requires all employees to have an assigned principal work location. Under IRS rules, an employee that has no principal work location cannot receive any tax-free mileage reimbursements. Additionally, under IRS rules, an employee that has multiple principal work locations for which the employee precisely and equally works between each location, cannot receive any tax-free mileage reimbursements between such work locations as neither location would be considered temporary and all travel would be considered personal commuting.

Example A: Stow campus is your assigned principal work location:

An employee lives in Ware and works on a regular basis on the Stow campus. If the employee teaches a class in Springfield as a temporary work location, the employee can claim mileage for the travel to and from Springfield.

Example B: Springfield campus is your assigned principal work location:

An employee lives in Chicopee and works on a regular basis on the Springfield campus. If the employee is asked to participate in a meeting in Stow as a temporary work location, the employee can claim mileage for travel to and from Stow.

Example C: Both Stow and Springfield campus are your assigned principal work locations:

An employee lives in Worcester and works on a regular basis and evenly splits time between the Springfield and Stow campus. The employee cannot claim mileage for the travel to either location.

Example D: Stow campus is your assigned principal work location:

An employee lives in Brookfield and works on a regular basis in Stow. If the employee begins to teach a greater volume of classes in Springfield after 1 year, the employee would no longer be able to claim mileage for travel to and from Springfield and Springfield would be deemed the assigned principal work location.

Example E: Stow campus is your assigned principal work location:

An employee lives in Springfield and currently works on a regular basis in Stow. The employee is reassigned to Springfield as the assigned principal work location, but continues to have the majority of work assignments in Stow. The employee would not be eligible for mileage to Stow and would be required to reimburse the Commonwealth for any mileage claimed from commuting to Stow.

3. Other Expense Guidelines

Written prior approval is necessary for any overnight stays or out of state travel. All travel arrangements for non-classified employees must be planned in advance and must be direct-billed. Hotel and other travel arrangements will be made by the agency and will not be honored if made by the contractor. For lodging expenses, the agency will pay only for hotel and any taxes incurred. The contractor must pay for any other personal expenses and may not charge them to the DFS direct bill account. Meals are the only costs eligible for reimbursement, in accordance with the Meal Guidelines. DFS will not approve any other requests for expense reimbursements and such costs will be borne by the

contractor. Non-classified employees who need to stay overnight must have prior approval of the Division Director.

It is important to remember that requests for reimbursement will not be approved by Division Directors and will not be forwarded to Human Resources if receipts are missing. If there is no documentation for the expenditures it will not be processed and it will be returned to the traveler.

Form W-2

Employee reimbursement payments that are tax reportable will be added to each employee's year to date totals on their W-2 Forms, eliminating the need for two separate tax documents at the end of the calendar year.

Resources:

Executive Bulletin ANF-8 dated May 18, 2004

Memorandum from Secretary of Administration Thomas A. Trimarco, dated January 12, 2006

MMARS Payroll Policy dated July 1, 2004

Commonwealth of Massachusetts Office of the Comptroller Expenditure Classification Handbook

DFS Contract Addendum: Special Conditions for FY06 Contracts

M.G.L. c.7,§4J,§27A,§28

M.G.L. c.30,§25, §25B

801 CMR 7.00

Collective Bargaining Agreements.

IRS Publication 463

IRS Rule 99-7

IRS Tax Topic 511