KAY IVEY
GOVERNOR

STATE CAPITOL
MONTGOMERY, ALABAMA 36130

# STATE OF ALABAMA

## MEMORANDUM

TO: Department and Agency Directors
Chief Fiscal Officers

FROM: Governor Kay Ivey Kay Ivey

SUBJECT: Changes to Travel Reimbursement Procedures - Effective July 1, 2018

DATE: June 18, 2018

After a comprehensive review of our existing travel procedures and reimbursements, I have approved changes to the state's policies and procedures for the reimbursement of travel expenses incurred by persons travelling on official business for the state. These changes are intended to streamline the approval and reimbursement processes and to bring enhanced efficiency and transparency to the travel reimbursement process by reducing the record keeping requirements for meals and incidental expenses and by giving Agency Directors more responsibility for approving official travel.

While there are a number of significant changes to our travel policies, some notable changes are:

- Meals will be reimbursed at the Federal daily rate (CONUS), and receipts will no longer be required.
- Travel arrival and departure will now be allowed the day prior and day after the event, regardless of start or end time.
- For in-state travel, the current $75.00 per diem reimbursement rate, which has remained the same since it was originally set in September 2005, will be raised to $85.00 per day for travel that requires one overnight stay and to $100.00 per day for travel that requires a stay of two or more nights.

These changes are effective July 1, 2018, and apply to those seeking reimbursement of actual expenses for out-of-state travel, in-state travel under limited circumstances, and in-state per diem.

As stated in the updated Department of Finance Fiscal Policies and Procedures Manual, Agency Directors are expected to exercise appropriate, professional judgment and sound fiscal policy when exercising this additional responsibility. Please refer to the updated Fiscal Policies and Procedures Manual and instructions provided by the State Finance Director, which will be posted soon on the State Comptroller's website.

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Kay Ivey
Governor

Clinton Carter
State Finance Director

TO: Department and Agency Directors
Chief Fiscal Officers

FROM: State Finance Director Clinton Carter

SUBJECT: Guidance for new travel policies – Effective July 1, 2018

DATE: June 20, 2018

After a thorough review of current travel policies and procedures, a number of changes have been made to the pre-approval and reimbursement procedures for both in-state and out-of-state travel. Pursuant to Act 2018-203, these new policies and procedures have been put into place to give Agency Directors more flexibility and oversight for official travel and to make the pre-approval and reimbursement process more user-friendly, straightforward and efficient.

Below are some of the more significant changes to the travel procedures and policies, with a full description of the new policies available in the attached draft of the travel section of the Fiscal Policies and Procedures manual (FPPM).

**Out-of-State Travel & In-State "Conference"**

Out-of-State Travel & qualifying In-State "Conference" Travel will now be referred to as "Actual" Reimbursement for Travel:

- Employee and non-employee travel will be now approved by the Agency Director per policies and procedures established by Finance Department, as opposed to the previous policy of approval through the Governor's Office
- Agency Director travel will continue to be approved by the Governor's Office per policies and procedures established by Finance Department.
- Travel to attend or assist hosting a conference or similar function of a national, regional or state organization in which the state or individual is a dues-paying member will qualify for in-state "actual" reimbursement with certification from the Agency Director.
- Agency Directors will now have the discretion to allow the traveler to arrive at the destination on the day prior to the start of an event and to depart the destination on the day following the end of the event. Agency Directors will still remain responsible for ensuring that arrival/departure days are appropriate and not abusive.

- This new rule (1 day prior, 1 day after) mirrors the Federal travel policy and will allow for necessary and sufficient time for travelers to arrive safely prior to start of their official state business.
- Further, the new rule allows for greater flexibility in scheduling airline flights and other travel accommodations.

- Travelers will now receive the daily Continental United States (CONUS) rate for meals and incidental expenses (M&IE) in accordance with federal per diem amounts.
  - Daily CONUS (M&IE) rates will vary according to destination.
  - Incidental expenses (i.e. tips related to transit, lodging and meals) will now be covered with a $5 per day rate (included in the CONUS rate). The State will continue to reimburse actual expenses for other reasonable and necessary travel-related costs incurred during out-of-state travel and in-state travel where actual expenses are authorized.
  - Similar to federal travel rules, CONUS (M&IE) will be prorated to 75% of that location's amount for "travel days".
- Travelers will be allowed to participate in social events or outings that are included on the event agenda and for which the costs of the event are included in the registration fees.
- The Comptroller's Office and State Business Systems are in the process of redesigning the Out-of-State Travel website to allow all travel events, including qualifying in-state "conference" events, to be entered electronically for processing. All travelers will still utilize the website for pre-travel approval. The online workflows will also be amended to reflect Agency Director approval (rather than approval by the Governor's Office) for employees and non-employees. Agency Director travel will continue to be routed through the Governor's Office. Upon return, the traveler will continue to use the Out-of-State Travel website to complete their reimbursement form.
- Blanket authorizations previously approved by the Governor will be honored through the end of FY18 (September 30, 2018). All other blanket travel requests must be approved by the State Finance Director. For all approved blanket authorizations, expenses will continue to be filed on the manual travel statement after the trip is completed. This manual form may be found on the Comptroller's website.

**<u>In-State Per Diem</u>**

In-State Per Diem will now be referred to as "Per Diem":

- Current law allows the Governor to set the per diem rate at "not less than $75 per day". The current per diem rate is $75 per day and has not been changed since 2005.
- New Per Diem Rate effective July 1, 2018:
  - 1 night on the road → $85 per day
    Example: Leave Monday & return to base Tuesday = $170
  - 2+ nights on the road → $100 per day
    Example: Leave Monday & return to base Wednesday = $300

These new policies and procedures are effective July 1, 2018. Until that date, please continue to utilize the current travel authorization rules and procedures.