

Client Agency Policy & Operations Manual

SECTION: 90 Purchasing and Contracting

NUMBER: SCS-90-040

TITLE: Travel Authorization and Expenditure
Reimbursement

EFFECTIVE DATE: 7-29-02

APPROVED: Signature on file with the State Controller's Division

**PURPOSE and/or
RESULTS DESIRED:**

This policy is intended to provide guidelines to client agencies for authorization and payment of travel expenses in a cost-effective manner.

AUTHORITY:

[ORS 291.015](#) Fiscal responsibilities of department; delegation of fiscal functions.
[ORS 291.990](#) State financial administration; penalties.
[ORS 292.230](#) Policy on out-of-state travel; guidelines; use of travel awards; department rules.
[ORS 294.100](#) Public official expending money in excess of amount or for different purpose than provided by law unlawful; civil liability.
[OAM 40.10.00](#) General business travel expense rules.

APPLICABILITY:

Client agencies assigned and/or contracting for accounting, budgeting, and financial reporting services with the State Controller's Division, DAS.

POLICY:

Agencies shall authorize and reimburse travel expenses only when the travel is essential to the client agency's responsibilities. Authorized travel shall be conducted in the most efficient and cost-effective manner, and will adhere to all applicable state policies, rules and laws.

GUIDELINES:

I. Travel Expenses

- A. All travel authorized and reimbursed by the client agency must be essential to the normal discharge of the client agency's responsibilities.
- B. All travel will be conducted in the most efficient and cost-effective manner.
- C. Client agency heads will manage the cost of travel responsibly.
 1. Limit the number of employees and officers traveling to the same event,
 2. Appraise the necessity, availability of resources, justification for need, and method of travel,
 3. Utilize the least costly method of travel practicable and consider alternatives to travel (i.e. teleconferencing), and
 4. Minimize employee time spent on travel.

- D. All travel awards earned while conducting state business shall be used to reduce costs of state travel expenses. The use of travel awards obtained while conducting state business for personal travel constitutes personal gain from state employment and violates [ORS 244.040](#).
- E. Any exception to the state travel policy ([OAM 40.10.00](#)) must be authorized by the client agency head and approved in writing by the State Controller's Division.
- F. Client agency heads are not permitted to authorize policy exceptions for themselves. Agency heads are required to obtain approval for policy departures from the board and committee members or the State Controller.

II. Payment of Travel Expenses

- A. When possible the client agency should prepay travel expenses or have them direct billed to the agency.
- B. The Corporate Travel Card is the preferred method to pay for authorized personal travel expenses while on travel status for official state business. Issuance of cash advances shall be limited according to [OAM 40.20.00 \(.103\)](#).
- C. Payment of travel expenses must meet the following criteria.
 - 1. All expenses are incurred while performing official state business.
 - 2. Expenses are adequately accounted for in a reasonable timeframe.
 - 3. All excess payments or advances must be returned in a reasonable timeframe.
- D. The basis for payment of travel expenses is a standard per diem rate.
- E. All other travel expenses are reimbursed based on the actual amount of the expense incurred. Receipts are required for lodging, and all travel expenses greater than \$25.

III. Out-of-State Travel

- A. Client agency heads are required to authorize out-of-state travel or delegate approval authority in writing to subordinate.
- B. Delegation of approval authority does not relieve client agency head of the accountability for approval of travel expenses.
- C. It is recommended that client agency heads require pre-approval for all out-of-state travel.
- D. Client agency heads are required to obtain out-of-state travel approval from the Office of the Director, DAS prior to out-of-state travel.

IV. Provisions for Board and Committee Members and Nonstate Individuals

- A. Board and Committee Members
 - 1. Except as otherwise provided by law, members of state boards and commissions (including those individuals employed in full-time public service) may receive reimbursement for actual and necessary travel expenses incurred in the performance of official state duties.
 - 2. This is in addition to any per diem compensation that may be provided by statute that is not intended as travel reimbursement.
 - 3. This provision applies to both instate and out-of-state travel and is in addition to all other applicable provisions of this policy.

B. Nonstate individuals

1. Client agencies may authorize payment for costs of meals, lodging and transportation for authorized nonstate individual (i.e. agency volunteer or state advisory committee member).
2. Payments for travel expenses must be authorized in advance in writing. Reimbursements are usually paid based on per diem rates. All reimbursements for expenses will require receipts. (According to [OAM 40.10.00](#) some reimbursements to volunteers are 1099-MISC reportable.)

V. Travel expenses paid by outside entities

- A. Client agencies must scrutinize travel paid by outside sources to ensure the travel is in line with the agency's mission and does not constitute luxurious travel.
- B. Such travel must be approved by the agency head. In the case of an agency head's travel being reimbursed by an outside source, travel must be approved by board or commission members or the State Controller.
- C. Personnel are not allowed to receive travel expense reimbursement directly from outside sources. Payment must be made to the agency and at rates allowed by this policy.
- D. Certain federal agencies reimburse travel expenses by ACH transactions to the bank account of the traveler.
- E. In such instances, the employee must calculate travel expense reimbursement using state policies and rates. If the federal reimbursement is greater than the state level, the employee shall submit remuneration to the state for the difference. If the federal reimbursement is less, the state shall pay the difference to the employee.

VI. Combining Personal Travel with Business Travel

- A. For trips where personnel are combining official state travel with a holiday, weekend trip, vacation or other personal travel client agencies must ensure that employees combining business and personal travel are well informed about reimbursement policies.
 1. Employees leaving on vacation prior to the business event will be responsible for all costs should the business event be canceled at a point that reservations could have been canceled resulting in no cost to the agency.
 2. Payment will be made for only the period during which personnel would have been in a travel status on official state business. No payment will be made for vacation days.
 3. Travel expenses will be reimbursed based on the cost of the most direct and least costly means of travel practicable. The employee will only be reimbursed the meal and lodging per diems to which the employee would have been entitled.
- B. Personnel combining business and personal travel must adequately account for all reimbursable travel expenses and must comply with all applicable provisions of [OAM 40.10.00](#).

VII. Improper Travel Expenses

- A. Client agencies must comply with all provisions of [OAM 40.10.00](#).
- B. DAS may periodically review client agency travel records to ensure compliance with state policies, and may implement progressive sanctions for misuse of policy.
- C. Public employees may be held liable under [ORS 291.990](#) and [ORS 294.100](#) for improper use of state funds.
- D. Public employees who order, authorize or cause to be made any expenditure in violation of State policies, rules, or laws can be subject to fines and penalties and be held personally financially liable for inappropriate expenditures.
- E. Public employees can be held personally financially liable for infractions of [OAM 40.10.00](#).

VIII. **Acknowledgments and Conflicting Provisions.** The client agency will ensure all employees are informed of the Travel Authorization and Expenditure Reimbursement policy. A valid collective bargaining agreement shall supersede any conflicting terms in this policy.

PROCEDURES: Travel Planning and Pre-approval

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Employee	Contact client agency head and provide details of planned business travel. Research available travel and lodging to find the most efficient and cost-effective option.
2.	Client Agency Head	Review travel plans with employee to ensure travel is essential to the discharge of client agency responsibilities. Determine if less costly means are appropriate (i.e. teleconferencing). Assist in development of itinerary and budget. Ensure state and agency policies are followed.
3.	Employee / Client Agency Head	Review and approve the finalized itinerary and budget. Make arrangements for pre-payment and direct billing of travel expenses whenever possible.

PROCEDURES: Client Agency Head Travel

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Client Agency Head	Develop detailed business travel plan, researching most efficient and cost-effective travel and lodging options available.

2. Client Agency Head / Board and Commission Members
 Client Agency Head will review business travel plans with board and commission members or other appropriate source of review.
 Ensure travel is essential to the discharge of agency responsibilities and determine if other least costly options are available and appropriate.
 Arrange for prepayment and direct billing of travel expenses whenever possible.
3. Client Agency Head
 Client agency heads traveling **out-of-state** are required to get prior approval from the Director of Operations, DAS.

PROCEDURES: Employee Travel Responsibilities

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Employee	<p>Conduct state business while on travel status.</p> <p>Retain original receipts and documentation for reimbursable costs. (Original receipts are <u>required</u> for lodging and any travel expense greater than \$25.)</p> <p>Retain conference and training registration and agenda, and submit with travel claim.</p>
2.	Employee	<p>Complete Travel Expense Detail Sheet, and attach the following:</p> <ul style="list-style-type: none"> • Conference and training agenda and/or registration, • Airline itinerary with traveler's name, flight details, etc., • Original receipts (Travel Expense Detail Sheet must include list of reimbursable expenses less than \$25), • Copy of approval for travel.
3.	Client Agency Head	<p>Review reimbursable travel expenses for accuracy and appropriateness.</p> <p>If client agency head is the traveling employee, reimbursement of travel expenses should be reviewed, as would any other financial transaction.</p>

FORMS:

- Travel Expense Detail Sheet – [OAM 75.40.01.FO](#)
 Out-of-State Authorization Form – [OAM Sample](#)
 Employee Report of Travel Awards – [OAM 75.40.02.FO](#)
 Standard Per Diem Rates – [IRS Federal Per Diem Rates](#)