

OVERVIEW—TRAVEL

Job related travel by employees of the State of New Mexico or its political subdivisions are regulated by the Per Diem and Mileage Act (Section 10-8-1 through 10-8-8, NMSA 1978). Section 10-8-5 NMSA 1978 of the per diem and mileage act allows the Secretary of the Department of Finance and Administration (DFA) to establish rules and regulations to carry out the provisions of the act. The City will refer and adhere to the contents of **Section 2.42.2, NMAC**. Excerpts from this rule appear below.

Section 15-8-6, NMSA 1978 governs the use, markings and state government plates, for vehicles owned by the City and is covered in Section 4 Use of City Vehicles.

SCOPE 2.42.2.2 NMAC

In accordance with Section 10-8-1 to 10-8-8 NMSA 1978 (1995 Repl. Pamp.), 2.42.2 NMAC governs the payment of per diem rates and mileage and the reimbursement of expenses for all salaried and non-salaried public officers and employees of all state agencies and local public bodies.

OBJECTIVE 2.42.2.6 NMAC

To govern the payment of per diem rates and mileage and the reimbursement of expenses for all salaried and non-salaried public officers and employees of all state agencies and local public bodies.

SELECTED DEFINITIONS FROM 2.42.2.7 NMAC

For purposes of this rule “Home” means:

- For per diem purposes, the area within a 35-mile radius of the place of legal residence as defined in Section 1-1-7 NMSA 1978 (1995 Repl. Pamp.);
- For mileage purposes, the place of legal residence as defined in Section 1- 1-7 NMSA 1978.

“Nonsalaried public officer” means a public officer serving as a member of a board, advisory board, committee or commission who is not entitled to compensation, but is entitled to payment of per diem rates and mileage.

“Travel” means: for per diem purposes, being on official business away from home and at least 35 miles from the designated post of duty of the public officer or employee. However, nonsalaried public officers are eligible for per diem for attending meetings in accordance with Subsection C of 2.42.2.8 NMAC. As stated below.

PER DIEM RATES PRORATION 2.42.2.8 NMAC

Partial day per diem rate: Public officers or employees who occasionally and irregularly travel shall be reimbursed for travel which does not require overnight lodging, but includes time during a normal work day as follows:

- a) for less than 2 hours of travel beyond normal work day, none;
- b) for 2 hours, but less than 6 hours beyond the normal work day, \$18;
- c) for 6 six hours, but less than 12 hours beyond the normal work day, \$40;
- d) for 12 hours or more beyond the normal work day, \$55;

“Normal work day” means 8 hours within a nine-hour period for all public officers and employees both salaried and nonsalaried, regardless of the officers’ or employees’ regular work schedule.

Overnight travel: Regardless of the number of hours traveled, travel for public officers and employees where overnight lodging is required shall be reimbursed as follows:

- a) in state areas \$151;
- b) in state special areas \$194;
- c) out of state areas \$151;
- d) or reimbursement for actual expense in lieu of per diem rates under Rule 2.42.2.9 NMAC.

Return from overnight travel: On the last day of travel when overnight lodging is no longer required, partial day reimbursement shall be reimbursed according to the partial day per diem rates listed above. Calculation of the hours will begin with the time the traveler initially departed on travel.

Special area designations: For all officers and employees, the in state special area shall be Santa Fe.

NONSALARIED PUBLIC OFFICERS 10-8-4 NMSA 1978

Nonsalaried public officers of the state may elect to receive either:

- a) \$95.00 per meeting day for attending each board or committee meeting; or
- b) reimbursement for actual expense in lieu of per diem rates under Rule 2.42.2.9 NMAC as described below.

REIMBURSEMENT OF ACTUAL EXPENSES IN LIEU OF PER DIEM RATES 2.42.9 NMAC

Where lodging and/or meals are provided or paid for by the City, or another entity, the public officer or employee must be reimbursement only for actual expenses under Rule 2.42.2.9 NMAC.

Upon written request of a public officer or an employee, agency heads may grant written approval for a public officer or employee of that agency or local public body to be reimbursed actual expenses in lieu of the per diem rate where overnight travel is required.

For overnight travel for public officers and employees where overnight lodging is required, the public officer or employee will be reimbursed as follows:

- A. **Actual reimbursement for lodging:** A public officer or an employee may elect to be reimbursed actual expenses for lodging not exceeding the single occupancy room charge (including tax) in lieu of the per diem rate set forth in this Section. Whenever possible, public officers and employees should stay in hotels which offer government rates. Agencies, public officers or employees who incur lodging expenses in excess of \$215.00 per night must obtain the signature of the City Manager on the travel voucher prior to requesting reimbursement.
- B. **Actual reimbursement for meals:** Actual expenses for meals are limited by Section 10-8-4(K) (2) NMSA 1978 (1995 Repl. Pamp.) to a maximum of \$55.00 for in-state travel and \$55.00 for out-of-state travel for a 24-hour period.
- C. **Receipts required:** The public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board.
- D. **Return from overnight travel:** On the last day of travel when overnight lodging is no longer required, partial day reimbursement shall be made as described above. No reimbursement for actual expenses will be granted on the last day of travel.

TRAVEL ADVANCES 2.42.2.10, NMAC

- A. **Authorizations:** Upon written request accompanied by a travel voucher, agency heads and governing boards of local public bodies or their authorized designees may approve a public officer's or employee's request to be advanced up to 80 percent of per diem rates and mileage cost or for the actual cost of lodging and meals pursuant to 2.42.2.8 NMAC and 2.42.2.9 NMAC and for other travel expenses that may be reimbursed under 2.42.2.12 NMAC. Requests for travel advances shall not be submitted to the financial control division of the department of finance and administration more than two weeks prior to travel unless, by

processing the request earlier, significant savings can be realized for travel by common carrier or for registration fees for seminars and conferences.

B. **Travel period:** A travel advance may be authorized either for a single trip or on a monthly basis for public officers and employees who travel continually throughout the month. Payment shall be made only upon vouchers submitted with attached authorization for each travel period.

1) **Single trip advances:** Where a travel advance is made for a single trip, the officer or employee shall remit, within 5 working days of the return from the trip, a refund of any excess advance payment to the agency. The agency or local public body shall deposit the refund and reduce the disbursement recorded when the money was advanced.

2) **Monthly advances:** Where monthly advances are made, employees shall remit to the agency, at the end of each month, any excess advance payments together with a thorough accounting of all travel advances and expenditures as required by the secretary. Where a travel advance is approved for the next month, the agency head may authorize the use of excess advance payments from the previous month as part of the advance for the next month in lieu of having the employee remit the excess funds.

C. **Agency records:** Each agency is responsible for maintaining records of travel advances authorized by the agency head or the agency head's authorized designee.

1) **Employee ledgers:** Each state agency shall keep individual employee ledgers for travel advances. The ledger shall include the following information to provide an adequate audit trail:

- a) employee
- b) division
- c) fiscal year
- d) date of travel advance
- e) date of destination
- f) per diem advance paid
- g) earned
- h) additional per diem or refund due

2) **Year-end closing:** Each state agency shall review all travel advances prior to the end of the fiscal year and collect or pay all outstanding amounts if possible. Any receivables or payables outstanding at year end must be recorded on the books and records of the agency.

D. **Local public bodies:** Local public bodies may grant prior written approval for travel advances as authorized by regulation of the governing body of the local public body.

MILEAGE-PRIVATE CONVEYANCE 2.42.2.11 NMAC

- A. **Rate:** Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows:
- 1) Unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 100% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.
- B. **Mileage:** Public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10-8-5 (D) NMSA 1978.
- C. **Privately owned automobile:** For conveyance in the discharge of official duties by privately owned automobile, mileage accrued shall be reimbursed at the rate set forth in this section as follows:
- 1) pursuant to the mileage chart of the official state map published by the state highway and transportation department for distances in New Mexico and the most recent edition of the Rand-McNally road atlas for distances outside of New Mexico; or
 - 2) pursuant to actual mileage if the beginning and ending odometer reading is certified as true and correct by the traveler; and (a) the destination is not included on the official state map or on the Rand McNally road atlas, or, (b) at the destination(s) of the public officer or employee, the public officer or employee was required to use the private conveyance in performance of official duties.
- D. **Reimbursement limit for out of state travel:** Total mileage reimbursement for out of state travel by privately owned automobile or privately owned airplane shall not exceed the total coach class commercial airfare that would have been reimbursed those traveling had they traveled by common carrier.

REIMBURSEMENT FOR OTHER EXPENSES 2.42.2.12

Public officers and employees may be reimbursed for certain actual expenses in addition to per diem rates.

- A. **Receipts not required:** Public officers and employees may be reimbursed without receipts for the following expenses in an amount of \$6.00 per day not to exceed a total of \$30.00 per trip:
- 1) taxi or other transportation fares at the destination of the traveler;

- 2) gratuities as allowed by the agency head or designee; and
- 3) parking fees.
- 4) If more than \$6.00 per day or \$30.00 per trip is claimed, the entire amount of the reimbursement claim must be accompanied by receipts.

B. Receipts required: Public officers and employees may be reimbursed for the following expenses provided that receipts for all such expenses are attached to the reimbursement voucher;

- 1) actual costs for travel by common carrier, provided such travel is accomplished in the most economical manner practical;
- 2) rental cars or charter aircraft, provided less expensive public transportation is not available or appropriate;
- 3) registration fees for educational programs or conferences, provided, if the fee includes lodging or meals, then no per diem rates shall be paid and only actual expenses paid by the officer or employee and not included in the fee shall be reimbursed within the limits of 2.42.2.9 NMAC; and
- 4) professional fees or dues that are beneficial to the agency's operations or mission;
- 5) Under circumstances where the loss of receipts would deny reimbursement and create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board.

PENALTY

Any public officer or employee covered by the Per Diem and Mileage Act who knowingly authorizes or who knowingly accepts payment in excess of the amount allowed by the Per Diem and Mileage Act or in excess of the amount authorized by the secretary or the governing board pursuant to Section 10-8-5NMSA 1978 is liable to the state in an amount that is twice the excess payment.

CITY POLICY
TRAVEL AND REIMBURSEMENT
CITY OF GALLUP NEW MEXICO

TRAVEL REQUESTS AND REIMBURSEMENT

All Travel Approval and Reimbursement Requests for out of town travel will be completed and approved by the Department Manager and the Department Head at least five working days before the date of departure. All out of state travel requests will require the additional approval of the City Manager.

Travel reimbursement may be paid to attend professional meetings if approved by the Department Manager and the Department Head. Mileage and per diem reimbursement will be paid at no more than the maximum rates approved by the New Mexico Department of Finance and Administration.

In the case of travel by common carriers, such as bus, train, or airplane, the employee must present a receipt for the actual fare paid and will receive full reimbursement.

Registration fees may not be paid as part of a travel voucher. All requests for registration fees must be made by separate voucher and the purchasing department will mail the registration fees directly to the organization. If a registration fee includes any meals and/or lodging, a proportional amount will be deducted from the per diem for that trip. Employees are expected to attend the entire training event paid for by the City, if the employee does not attend the entire event paid for by the City, the employee may be expected to reimburse the City the entire registration fee and all other costs incurred by the City for the Employee to attend the event.

Payments shall not be made by the City for gasoline, oil, lubrication, repair parts, tires, etc., for privately owned vehicles. Travel Advances may be made subject to the following requirements:

- Maximum of 80% of the estimated cost of the trip.
- Trip must be a minimum of one and one-half per diem days.
- The reimbursement voucher including all required receipts must be submitted within ten (10) working days after the trip is completed. Failure to complete on a timely basis will result in a deduction in the employee's payroll for the entire amount of the travel advance.
- In order to obtain the Travel Advance, the travel requests must be approved by the Department manager and the Department Head and submitted to finance at least 10 working days in advance of the trip.

OUT OF STATE TRAVEL

Requests for out-of-state travel must be approved by the Department Manager, the Department Head and the City Manager at least 30 days before the departure date. All travel on commercial air lines will be booked no less than 21 days in advance.

PURCHASE ORDER REQUIRED

A purchase order for registration fees, air fare, or hotel/motel rooms will not be processed unless a copy of the approved travel and per diem request form has been properly executed as described above.

ACTUAL EXPENSES

If lodging is provided by the City, then the employee is considered to be traveling on "Actual Expenses", and not per diem. When traveling on Actual Expenses, the employee must submit his/her **itemized** meal receipts to be reimbursed up to a maximum of \$30 per day. If the employee only submits receipts for \$10, then that is all that will be paid. Also, when traveling on Actual Expenses, the employee must submit receipts for any other items to be reimbursed. The "No Receipt" - \$6 per day may not be claimed if the employee is listing receipts.

The employee traveling must complete the Travel Approval and Reimbursement Request Form. Employees must list the dates, descriptions and amounts.

PER DIEM

If the employee is traveling on per diem, he/she does not have to submit Meals & Lodging receipts. Receipts for airfare, parking, registration fees and any other reimbursements that are not for meals or lodging must be submitted. Registration fees may be pre-paid given proper approval and the issuance of a purchase order.

TRAVEL ADVANCES

Requests for travel advances need to be submitted on the Travel Approval and Reimbursement Request form to the Finance Department at least ten working days before the trip begins. Employees should be reasonable and not request advances more than one month before the trip. When lodging is covered by the City, employees will be advanced \$44 for in state travel per day and \$44 for out of state travel per day. Employees will be required to provide receipts for all meals purchased while on official business. Employees will repay the City all amounts advanced which are in excess of a valid receipt.

Upon departure or returning from travel the City will pay for no meal the employee purchases within 35 miles of the City or the employee's legal place of residence.

The intent of the travel advance is to help employees having to pay for the majority of the trip out of their pocket, not to cover every cent of the expense. Travel advances are permissible, not mandatory.

REIMBURSEMENT VOUCHER

If the Reimbursement Voucher is submitted after 15 days past trip date, reimbursement will be forfeited and the employee will pay back the City all amounts advanced. (See IRS regulations below).

Receipts must be attached for the following expenses:

- a) Actual costs for travel by common carrier, provided such travel is accomplished in the most economical manner practical
 - b) Rental cars, provided less expensive public transportation is not available or appropriate
 - c) Registration fees for educational programs or conferences, provided, if the fee includes lodging or
 - d) Meals, then the per diem rates shall be reduced for the lodging or meals provided
 - e) Mileage will be paid based on published mileage charts. Actual mileage will only be paid when starting and ending odometer readings are listed on the Travel Approval and Reimbursement Request form.
- 2) A copy of agenda or program from meeting attended must be attached.

MEMORANDUM REGARDING IRS REIMBURSEMENT REGULATIONS

Ref: IMPORTANT NOTICE REGARDING REIMBURSEMENTS

Please post this notice and announce to all of your staff so that all employees are aware of the changes regarding travel reimbursements, and any other reimbursements to employees.

If any of the conditions listed below are not met, according to Internal Revenue Regulations, the City does not have an accountable plan, and any non-taxable fringe benefits or reimbursements will become taxable to all employees. In order to insure that the City has an accountable plan, the guidelines for adequate accounting and reasonable period will be strictly adhered to from this date forward. If an employee's request for reimbursement is turned down for not meeting the criteria set forth, the employee may file form 2106 with his/her Federal income Tax return.

Non Taxable Fringe Benefits

The Internal Revenue Service defines Non-taxable fringe benefits as:

- No additional cost service.
- Qualified employee discounts.
- Working condition fringe.
- De minimis fringe (infrequent).
- Qualified transportation expenses (travel or in-city mileage).
- Qualified moving expense reimbursement.

These benefits must be part of an “accountable plan” as defined:

- Business connection.
- Adequate “accounting” by the employee in a reasonable time period.
- Excess reimbursement returned in a reasonable time period.
- Adequate Accounting is defined as verification of time, place, amount, and the business purpose of the expense.

Reasonable Period of time is defined in IRS Reg. 1.62-2(g)(2)(i).

- Employee receives the advance within 30 days of the time they incur the expense.
- Employee adequately accounts for the expense within 60 days after the expense was paid or incurred.
- Employee returns any excess reimbursements within 120 days after the expense was paid or incurred.

In summary, all paperwork for mileage, travel reimbursements, and all other reimbursements including proper receipts and backup documentation is to be turned in by the employee to his/her respective department head within 30 days of the event. The department head must then submit this paperwork with all proper signatures to the Finance Department within 30 more days. Any reimbursement that is denied will be the responsibility of the employee on his/her personal income taxes.

Per NMAC 2.42.2.10 B (1), when a travel advance is made for a single trip, the officer or employee shall remit, within 5 working days of the return from the trip, a refund of any excess advance payment to the City. If the officer or employee is unable to remit the refund within five working days due to extraordinary circumstances, the City Manager may extend the deadline.