STATE OF ARKANSAS

DEPARTMENT OF FINANCE AND ADMINISTRATION

OFFICE OF ACCOUNTING

TRAVEL POLICY

EFFECTIVE SEPTEMBER 15, 2023

Authority, Chief Fiscal Officer, Policies

Policies Generally

The Policies outlined below are applicable to all State employees. Rules impacting other persons who are authorized to carry out official duties in connection with the business of the State are promulgated pursuant to A.C.A § 19-4-901 and A.C.A § 25-15-201 et. seq.

Exempt Persons and Agencies

In accordance with A.C.A § 19-4-904, the limitations of policies placing limits on meals and lodging expenses shall not be applicable to the constitutional or elective officials and their employees, or official guests of the State. The provisions of this policy shall not be used to supersede or set aside the provisions of law providing for fixed allowances, established amounts for per diem, or to special travel privileges provided for by A.C.A § 19-4-903 and other laws for specific purposes where such allowances exceed those authorized in this regulation.

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Definitions

Warrant – Instruments utilized by the State to pay for obligations incurred in the purchasing of goods or services from outside sources. Warrants are initiated in AASIS by utilizing either the purchase order or the direct invoice method.

Public Fund – Any and all kinds of funds handled by, or revenue generated by state resources.

Public Purpose – The State or agency cannot, within the limits of due process, appropriate public funds to a private purpose.

Policy 1 - Responsibility and Accountability for Travel Authorizations and Disbursement Finance

A.C.A § 19-4-902 places the authority and responsibility of authorizing and approving travel expenses with the board or commission in charge or the administrative head of the agency, department, or institution.

It shall be the responsibility of the administrative head of each agency, board, commission, or institution to keep on file in the place of business of the agency, subject to audit, originals of all supporting documents and required receipts for expenses incurred in connection with the travel authorizations and disbursements for persons traveling on behalf of the governmental entity. The documents on file may be in microform or electronic form prescribed under the provisions of A.C.A § 19-4-815 (b) if approved by the Division of Legislative Audit.

In large governmental units, it may not be feasible for the administrative head of the agency, department, or institution to act as travel administrator. In this case, he or she may designate other responsible officials to act as his or her agent(s) and to be referred to as travel administrator. The approval of these designated agents will be considered to reflect the approval of the board, commission or head of the agency, department, or institution. The designation of agents as travel administrators shall be made in writing and kept on file in the agency/institution.

Special authorization justifying the benefit to the State must be given in writing by the administrative head of the agency for travel-related requests involving meals without overnight travel. Under no circumstances should the maximum daily federal per diem rates be exceeded. All other travel related requests may be approved in writing by the travel administrator.

Under authority of A.C.A § 19-4-903, the administrative heads of the various departments, boards, commissions, and institutions of the State of Arkansas may enforce policies governing travel that are more restrictive than those established by the Chief Fiscal Officer of the State.

Specific legislation exists that provides for travel allowances for some agencies and institutions for specific purposes that are not afforded to state government in general. It is the responsibility of the administrative head of each agency/institution to be cognizant of, and strictly apply the special travel expense provisions of A.C.A § 19-4-904 and other state law.

Policy 2 - Standard Reimbursements for State Employees and Officials

Officials and employees may be paid travel expenses when required to travel away from their “official station” on state business. “Official station” is the geographic location or “address” where the employee normally reports for duty and/or spends the majority of his/her productive time and must be designated as such in writing by the employer. An employee’s “residence” shall be the city or town in which the individual has an abode or dwelling place. An employee whose resident city is a location other than his/her “official station” shall not be allowed mileage to travel between them except as provided for in Policy 3, under Special Authorizations.

All employee travel reimbursement claims must be completed for payment to the individual traveler. One employee may not include on his travel payment request the expenses of another employee.

No expenses for meals or lodging will be allowed within the city or town of the employee's "official station" unless approved by the agency head as a “special authorization” under A.C.A § 19-4-903. Under no circumstances should the maximum daily federal per diem rates for meals be exceeded. The travel administrator may give written approval for all other travel related requests. The special authorization memo must show a benefit to the State, not a convenience for the employee.

State employees loaned from one state agency to another may be reimbursed for travel expenses by the agency benefiting from the travel.

Reimbursement rates within the continental United States are found in the Federal Travel Directory on the U.S. General Services Administration (GSA) website:
https://www.gsa.gov/travel-resources

Reimbursement rates for travel to Alaska, Hawaii, U.S. Territories and Possessions are set by the Department of Defense.
https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/

Reimbursement rates for foreign countries are set by the State Department. https://aoprals.state.gov/

Limits for Meals and Lodging

Please note that travel reimbursement is **NOT** a per diem and is to be claimed for **ACTUAL EXPENSES FOR MEALS AND LODGING NOT TO EXCEED THE MAXIMUM ALLOWABLE RATES AS LISTED IN THE FEDERAL TRAVEL DIRECTORY PLUS APPLICABLE SALES TAX.** The sales tax rate must be stated on Travel Reimbursement (TR-1) forms or equivalent for lodging. The maximum allowance for meals INCLUDES taxes and up to 15% tip reimbursement as provided in A.C.A § 19-4-925(b). Lodging rates per the Federal Travel Directory EXCLUDE room tax and should be exceeded only by the room tax amount unless special authorization is given in writing by the travel administrator of the agency justifying the need to exceed the standard reimbursement rate. Requests for special authorization to reimburse for meals without an overnight stay must be approved in writing by the administrative head of the agency. The special authorization memo must show the benefit to the State to justify the expense. See the Federal Travel Directory at:
https://www.gsa.gov/travel-resources

PLEASE NOTE: Rates in excess of the normal federal standard in certain cities that exceed the daily “normal” or “state-wide” limits may be claimed in other locales of the county where the listed city is located. In other words, the special rates for reimbursement apply “county-wide.”

Meals

Meal reimbursement is allowed only in connection with overnight travel, whether in state or out of state unless “special authorization”, under A.C.A § 19-4-903, is given in writing by the agency head. Special authorization should be limited to those “rare occasions” where, for example, an employee is asked to perform unanticipated duties outside of his/her normal work schedule that are official in nature, such as attending special board meetings. Travel, whether in state or out of state, should never be the only consideration when justifying the need for “special authorization” as provided in A.C.A § 19-4-903. The agency director’s memo justifying a special authorization must show the benefit to the State. The

maximum full day meal allowance, including sales tax and up to 15% gratuity, can't exceed the federal per diem rate depending on the destination location.

PLEASE NOTE: The "IE" allowances as stated in the Federal Travel Directory are for incidentals. Incidentals are specifically defined and provided for and must be listed separately and explained on the Travel Reimbursement Request Form (TR-1). It is no longer necessary to subtract the incidental rate from the maximum meal allowance due to the law change that provides for tip reimbursement of up to 15% of the meal amount expended before tax. The traveler is now eligible for actual expenses, including tax and up to 15% gratuity for meals, not to exceed the maximum meal allowance per the Federal Travel Directory.

The traveler is only eligible for 75% of the daily allowance for meals on the first and last day of travel. If travel covers a two-day period, then meal reimbursement is up to 75% of the daily allowance for each day. For partial days, meals charged must be in proportion to the time in travel status and may not exceed the maximum for applicable meal(s) stated in the Federal Travel Directory for the destination location(s). In accordance with the State travel policies, actual expenses only are allowed, and the charges must be in proportion to the time in travel status, not to exceed that allowed by the Federal Travel Regulations. Although receipts for meals are not required by this policy, the administrative heads of agencies, departments, and institutions may require them. See the Federal Travel Directory at: https://www.gsa.gov/travel-resources

Meals Included in Conference Registration

Meal reimbursement requests must be reduced for meals provided as part of the conference registration by deducting the appropriate amount as shown under the Meals and Incidental Expenses (M&IE) breakdown at: https://www.gsa.gov/travel-resources. A copy of the conference agenda will need to be included in the documentation provided for reimbursement.

Allowances may be made in writing to allow the traveler to claim meal reimbursement if any of the conditions below are met:

1. The traveler is unable to consume the meal provided because of medical requirements or religious beliefs;
2. The traveler purchased substitute meal(s) in order to satisfy their medical requirements or religious beliefs;
3. The traveler was unable to take part in the provided meal due to the conflict of official business.

Complimentary Meals

Meals provided by a common carrier, or a complimentary meal provided by a hotel/motel does not affect the maximum meal allowance per the Federal Travel Directory.

Meals Associated with Other Lodging Types

Travelers utilizing a rental obtained through an online marketplace for nontraditional short-term lodging or recreational vehicle (trailer/camper) are allowed to purchase food to be prepared on site provided the cost of the food, when divided among the number of travelers, does not exceed the maximum meal allowance per the Federal Travel Directory for the travel destination.

If the traveler is utilizing a Bed & Breakfast (B&B) and specific meals are included as part of the cost of the lodging, then if the traveler chooses to eat those meals out, he or she will not be reimbursed that cost. Documentation will need to be provided showing what is included in the cost of the B&B.

Lodging – Hotel/Motel

Reimbursement for lodging is limited to the single room rate. If a room is occupied by more than one person, the single room rate must be noted on the receipt. The maximum daily allowance will be limited to the federal per diem rate depending on the location for both in state and out of state travel. Room taxes are not included in the federal per diem rate and may be claimed for reimbursement. Lodging costs that exceed the rates listed in the Federal Travel Directory by more than room tax may not be paid without a letter of authorization by the travel administrator of the agency and must include a justification as to why it was in the best interest of the State to exceed the standard reimbursement rate. Such letter of authorization must be filed in the agency files with the travel payment document for the trip for each occurrence of such overage. For example, if a conference is held at a hotel where a block of rooms is offered to conference attendees for either a reduced group rate or government rate in excess of the maximum lodging per diem for that city/area, the travel administrator may authorize payment with written justification as to the benefit of the State.

Except for institutions of higher education exempted under A.C.A § 19-4-903(a)(2), a report of these special authorizations in a format prescribed by the Department of Finance and Administration may be required. See the Federal Travel Directory at: https://www.gsa.gov/travel-resources

Lodging – Other Types

Reimbursement for other types of lodging is allowed if a benefit to the State can be shown. This would include nonconventional lodging such as a nontraditional rental obtained through an online marketplace, Bed & Breakfast, lodging with family or friends, and even a recreational vehicle (trailer/camper).

If multiple travelers use a nontraditional rental obtained through an online marketplace, documentation must be submitted breaking down the cost by traveler. In addition, reasonable cleaning charges may also be reimbursed if, when added to the cost of the rental, would not cause the amount per traveler to exceed the lodging costs listed in the Federal Travel Directory for the travel destination.

Lodging with family or friends (with or without charge) is allowed, however, the traveler will not be reimbursed an amount comparable to conventional lodging in the area or a flat “token” amount.

Use of a recreational vehicle (trailer/camper) is allowable lodging provided that the cost of parking fees, connection, use and disconnection fees for utilities, electricity, gas, water, sewer and dumping fees do not exceed the lodging costs listed in the Federal Travel Directory for the travel destination for the same length of stay.

Transportation

Travel may be achieved by plane, train, bus, taxi, private vehicle/aircraft, rented or state-owned automobile; whichever method serves the requirements of the State most economically and advantageously.

Reimbursement for out of state travel will be the lesser of coach class airfare or the established rate of private car mileage, based on map mileage (whether paper-based or electronic) when driven. The agency head or travel administrator should determine which method of calculating map mileage is the most suitable method for his/her agency thus ensuring consistency within the agency and avoiding any confusion for the traveler. Travelers by commercial air shall utilize coach accommodations, except in those instances where first class accommodations would be more economical for the State. Instances where first class fare is utilized will require detailed justification and must be approved by the travel administrator. Commercial airline tickets should be purchased at least 14 days prior to travel if possible. Airline tickets purchased with less than a 14-day advance shall be explained in writing to the head of the agency and approved by him/her in writing prior to purchase. Agencies may pay or reimburse the traveler for checked baggage fees for the first bag only. Fees for additional bags must be paid by the traveler and are not eligible for reimbursement.

Agencies may pay or reimburse the traveler for basic flight (trip) insurance offered by the airline on round trip commercial airline tickets of $1,000 or more. The insurance should cover the cost of the ticket in the event of flight cancellations or delays caused by weather conditions, mid-flight diversions that force arrival at a different airport, or unexpected injury or illness that prohibits travel.

For trips where the destination is 400 miles or more from the employee's "official station", the minimum miles traveled per day to be eligible to collect a night's lodging must be 400 miles. The requirement to travel a minimum of 400 miles daily has no effect on in-state travel nor does it affect travel outside the State where the destination is less than 400 miles from the employee's "official station". It addresses the period of time the employee(s) spends "en-route" or in "travel status" reaching the destination. The requirement applies to trips where the destination is 400 miles or more from the "official station". It addresses the period of time the employee(s) spends "en-route" or in "travel status" reaching the destination.

Reimbursement for Use of Privately Owned Vehicle

Private vehicle mileage shall be reimbursed and computed, using map mileage (whether paper-based or electronic), between the travel site destination and the employee's official station or residence, if leaving directly from the residence, whichever is less. Mileage reimbursement for official use of a private motor vehicle may be claimed, listed separately on the TR-1, within the vicinity of any locale.

When privately owned motor vehicles are used for travel on official business, the traveler may claim reimbursement at the rate per mile established by the Chief Fiscal Officer of the State in effect during the time the travel occurred. Appendix C. The **shortest** major highway route (map mileage whether paper based or electronic), will determine the maximum mileage allowed. The source for map mileage used by the agency personnel shall be designated by the administrative head of the agency and shall be used exclusively on all mileage claims.

The State will reimburse for official miles driven only. The State assumes no responsibility for any maintenance, insurance, operational costs, accidents, or fines incurred by the operator of the vehicle while on official business for the State.

When a privately owned aircraft is used for travel on state business, the rate of reimbursement will be in nautical miles at the rate as established by the Chief Fiscal Officer of the State, under the provisions of A.C.A § 19-4-903, during the time the travel occurred. Appendix C.

Use of Travel Agencies

Travel agencies may be used to obtain transportation, lodging and related travel expenses.

Miscellaneous Expenses

Miscellaneous expenses, whether or not directly connected with travel (such as postage, small emergency supplies, etc.) may be allowed with adequate justification when necessary to the performance of official duties. Receipts are required.

Items Not Reimbursable

Except for those provisions enumerated in A.C.A § 19-4-904, expenses for personal entertainment, tips (i.e. taxi, porters, housekeeping staff), flowers, valet service, laundry, alcoholic beverages, cleaning, movies or other similar services are not reimbursable. Communication expenses shall be allowed only when necessary for the transaction of official business and properly receipted.

A.C.A § 19-4-905(b), as amended by Act 715 of 2007, authorizes tip reimbursement for meals as a personal reimbursement expense. Tip Reimbursement of up to 15% of the meal amount expensed may be reimbursed to the employee; however, the total of the meal (including sales tax) and tip may not exceed the maximum federal per diem rates. See the standard reimbursement rates for the Federal Travel Directory at: https://www.gsa.gov/travel-resources

Expenses for rental of space, decorations, entertainment or other arrangements in connection with banquets held solely for the benefit of employees are not reimbursable.

Petty cash funds cannot be used to make travel advances or reimbursements. If the agency has a petty cash fund, incidental expenses incurred by the traveler such as postage and procurement of minor supplies essential to the performance of state business may be reimbursed from petty cash funds upon presentation of proper receipts. If the agency has no petty cash funds, such items may be reimbursed using the TR-1 form with proper and sufficient documentation.

Exempt Persons and Agencies

There exist certain provisions in state law for the payment of some travel related expenditures for state supported colleges and universities, and some other specific institutions that are responsible for the care and/or group activities of students, inmates, and wards of the State. The administrative head of agencies and institutions to which these provisions apply is to be cognizant of and shall properly adhere to such provision of special legislation.

Policy 3 - Special Travel Authorizations

Occasionally it may become necessary for an employee to perform unanticipated duties outside the normal work schedule. In the event that such duties require the employee to commute from his/her residence to the place of performance of the duties and back via privately owned vehicle, the employee may be paid mileage reimbursement. A written statement signed by the employee's supervisor shall be retained in the file, attached to the applicable TR-1 form stating that the time worked was authorized, and the reasons the time was worked, travel was authorized, and the consequences had the duty not been performed is required.

In accordance with A.C.A § 19-4-904, the cost of meals, lodging, mileage and incidental expenses of state employees who are designated by his/her supervisor to attend official or special board meetings or other functions recognized as being in the performance of their official duties, regardless of the location of such functions in relationship to the official station, may be paid either as reimbursement to the employee or on direct billing, subject to approval of the agency director or travel administrator depending on the travel expense. A written justification showing the benefit to the State must be provided in those instances where the provisions under A.C.A § 19-4-904 for special authorization are utilized (i.e., reimbursement for meals without overnight travel and/or hotel reimbursement that exceeds the federal travel per diem by more than sales tax). The justification memo should be included in the documentation (attached to the TR-1 form) kept on file for the reimbursement or payment of such expenses. Special authorization for those expenses related to the security of the Governor and his or her family may be requested by the executive protection detail of the Arkansas State Police as an annual exemption to established hotel rates.

Policy 4 - Honorary Board, Commission and Committee Member Travel and Expenses – State Employees

A. State employees who are also members of a board or commission are not eligible to receive a stipend as authorized and governed by A.C.A §§ 25-16-901 – 908.

B. When it is required of a state employee, who is also a board member, to perform separate duties in connection with the official business of the agency and these duties are required at times other than official board meetings, then expense reimbursement will be allowed if approved by the board in accordance with A.C.A § 25-16-902. Claims must be on a TR-1, or equivalent.

Policy 5 - Recruitment and Relocation Expenses

The administrative head of a state organization or his/her authorized representative may approve relocation expenses of **existing** state employees. Further, A.C.A § 19-4-522(e) allows state-supported colleges and universities to utilize maintenance and operation appropriations for the payment of moving expenses of employees, including new hires. When it becomes essential that an agency permanently transfers a state employee from one location to another within the boundaries of the State of Arkansas or, in the case of state-supported colleges and universities, hires a new employee regardless of their location, reasonable payment for movement of household effects shall be made in accordance with the procedures prescribed herein.

A. The transfer and reimbursement of costs incurred by the individual must be directed and approved in writing by the administrative head of the board, commission, department, institution, or agency.

Full identification of the individual, the position transferred from and to, and reasons the transfer is necessary must be contained in the directive.

B. The payment for relocation must be solely for the convenience of the State in order to satisfactorily perform its function(s).

C. Under no circumstance will moving expenses be paid for newly hired employees except for state-supported colleges and universities. All other new employees are responsible for any moving expenses they incur while relocating in the area of a new job.

D. The term household effects as used herein does not apply to the movement of recreational vehicles, boats, and other items not normally used in the home. Packing, crating, loading, and unloading of household effects, as necessary, in addition to actual transportation expenses in accordance with Internal Revenue Service regulations are acceptable as part of the moving expense and may be paid. Please refer to the following web address for all IRS publications related to business expenses: https://www.irs.gov/forms-pubs/guide-to-business-expense-resources.

E. Reimbursement of costs for employee moving expense will be allowed only when the distance from the employee's place of residence, old duty station, and new duty station meet the guidelines of the Internal Revenue Service in effect at the time of the relocation for allowable moving expense.

Policy 6 - Direct Billing of Expenses

Travel expenses for lodging, commercial transportation (air fare, bus, rail and rental vehicles), and conference registration may be direct billed to the State using the Central Travel Service Account (CTS) or an Arkansas Sponsored Business Travel Card (SBTC).

The Central Travel Service Account (CTS) or *"Ghost Account"* (no card issued) is intended for air travel, conference registration fees, lodging, guarantee of lodging or rental vehicles (subject to written authorization by the administrative head or travel administrator for the agency).

The Arkansas Sponsored Business Travel Card is a credit card requested by a state agency or institution of higher education and issued in an individual's name. The agency/institution is responsible for payment of this account. This card is intended for payment of expenses associated with official state business only.

Meals are not a qualified expense allowed on any travel credit card issued by the State of Arkansas for an individual traveler. The State will work with the bank currently holding the credit card contract to restrict the merchant codes allowing this type of charge. The State will review particular circumstances and needs that constitute an exception to this policy. Examples of allowable exceptions might be for large groups such as schools or athletic programs. An agency having such needs should send a written request for the exemption along with complete justification to the State Controller. The State Controller, in consultation with the Director of the Department of Transformation and Shared Services - Office of State Procurement (TSS - OSP), will issue a decision within 14 days from receipt of request. At no time should an individual be allowed to exceed the federal per diem meal rate. Every agency is responsible for the adherence to this policy.

The duties of the executive protection detail assigned to the Governor and first family with the need to remain vigilant does not allow for each member to purchase meals and other travel related expenses individually. As such, with authorization of the State Controller, members of the executive protection detail may incur charges on the state travel card for other members of the executive protection detail. Documentation that the total cost per member did not exceed established rates must be maintained for audit.

Direct Billing for Transportation

When common carriers (airplane, rail, rental auto or bus) are needed to transport persons on state business, the agency should make the travel arrangements and have the agency billed directly using the Arkansas Sponsored Business Travel Card Account (SBTC) or the Central Travel Service Account (CTS). However, if this is not possible due to circumstances beyond the control of the traveler, he/she may make and pay for the arrangements and request reimbursement. An employee may not be reimbursed for transportation expenses (tickets) prior to travel occurring except in cases where it is economically advantageous for the State, and with the prior approval of his/her travel administrator.

When expenses are direct billed to the State, the traveler shall obtain and attach to the Travel Reconciliation form, Appendix B, receipts which detail the expense charged (airline ticket, hotel bill, vehicle rental documentation, registration confirmation), whether or not the traveler paid (out of pocket) some of the expenses for the trip.

Policy 7 - Rental Vehicles

The administrative head or travel administrator shall authorize, in writing, the use of rental vehicles only when it is more economical than taxi, airport shuttle, etc., or where, due to unavailability of other modes of transportation, use of rental vehicles is the most practical mode of travel. Agencies must use the statewide vehicle rental contract issued by TSS – OPS if one is in force. Use the link below to TSS – OSP's state contract page and search on "vehicle" to see the statewide vehicle rental contracts for additional information about contract arrangements. https://www.transform.ar.gov/procurement/state-contracts/. If a statewide contract is not in force when travel occurs, agencies will use the lowest available rates.

The cost of both physical damage and liability insurance purchased in conjunction with the rental of a vehicle from a vehicle rental company may be paid where the vehicle rental is billed direct to and in the name of the agency, charged on the Sponsored Business Travel Card (SBTC) or paid by the traveler and claimed as a reimbursable expense on his/her Travel Reimbursement Request TR-1 form.

Policy 8 - Travel Advance Revolving Funds

In accordance with A.C.A § 19-4-1008, the Chief Fiscal Officer of the State may approve the establishment of a revolving fund by an agency, department, board, commission, or institution to be used to make advances of expense funds for authorized travel by officials, employees of state agencies, boards, commissions, and institutions of higher learning, and students when travel is in conjunction with institution sponsored events or programs. All new commercial bank accounts must be reviewed and approved by DFA prior to opening the account.

The Chief Fiscal Officer of the State shall not be liable for any unauthorized expenditure through the failure of any official, employee, or student to reimburse revolving funds for travel advances. The responsibility of ensuring that only authorized expenditures are paid by the use of any advance from an established revolving fund and the collection of advances made from a revolving fund ultimately rests with the administrative head of the board, commission, agency, department, or institution.

The administrative head of the board, commission, agency, department, or institution may appoint a travel administrator to administer travel functions within their activities. However, the responsibility for taking corrective measures for any abuses discovered rests with the administrative head of the board, commission, agency, department, or institution.

Establishment of a Revolving Fund

A travel advance fund is established by submitting a request to the Department of Finance and Administration Office of Accounting. All new commercial bank accounts must be reviewed and approved by DFA prior to opening the account.

The administrative head of every board, commission, agency, department, or institution that wishes to establish and operate a travel advance revolving fund shall do so in accordance with the policies set forth by, and with the approval of, the Chief Fiscal Officer of the State. In addition, a custodian must be designated who will be responsible for operating, maintaining, and processing all transactions in the account(s).

A. Policy:

The cost of registration and conference fees may not be included in the travel advance request.

State personnel who hold an approved state Sponsored Business Travel Card (SBTC) are discouraged from using the Travel Advance fund for airfare, lodging or vehicle rental. Should it become necessary for a cardholder to apply for a travel advance for items other than those stated above, a letter of request from the traveler's immediate supervisor will be submitted to the Travel Advance Fund custodian justifying the advance by explaining why anticipated expenditures may not be charged to the traveler's credit card.

For individuals responsible for group activities, such as student travel, issuance of a Sponsored Business Travel Card (SBTC) to that individual is acceptable with the card being maintained in the Travel Office and checked out/returned after each trip, where practical.
Meals are no longer a qualified expense allowed on any travel credit card issued by the State of Arkansas for an individual traveler.

B. Amounts to be advanced:

Travel Advance Revolving Funds may be utilized to make advances of amounts not to exceed 50% of the total anticipated travel expenses not including those expenses that are direct billed to the agency or charged on either the *"Ghost Account"* or Central Travel Service Account (CTS) or Sponsored Business Travel Card (SBTC). Where practical, the traveler may be allowed a travel advance in the following circumstances:

Travel Advance for travel within Arkansas

The traveler is allowed to request up to 50% of anticipated meals and other travel expenses except airfare, lodging, vehicle rental, or conference registration. These items should be direct billed to the agency using the Sponsored Business Travel Card (SBTC) or Central Travel Service Account (CTS).

Travel Advance for travel within the Continental United States

The traveler is allowed to request up to 50% of anticipated meals and other travel expenses except airfare, lodging, vehicle rental or conference registration. These items should be direct billed to the agency using the Sponsored Business Travel Card (SBTC) or Central Travel Service Account (CTS),

Travel Advance for travel outside the Continental United States

The traveler and/or group is allowed to request up to 75% of anticipated travel expenses, less airfare and lodging, if traveling to a destination where access to the Sponsored Business Travel Card (SBTC) or other electronic means of accessing funds is not available.

If access is available, then the traveler and/or group is only allowed to request up to 50% of anticipated travel expenses less airfare and lodging. Travel expenses for airfare and lodging should be direct billed to the agency using the Sponsored Business Travel Card (SBTC).

NOTE: Travel advances for student/client/group activities as defined by A.C.A § 19-4-904 (d) may be made for 90% of the anticipated expenses that are not to be direct billed to the institution. Where practical, issuance of a Sponsored Business Travel Card (SBTC) to the individual responsible for the group activity is acceptable with the card being maintained in the Travel Office and checked out/returned after each trip.

Specific exceptions to this policy may be addressed via email to the State Controller, DFA – Office of Accounting at mailto:DFA-OfficeofAccounting@dfa.arkansas.gov subject: **travel advance**. State agencies, boards, commissions, and institutions of higher learning shall require employees and/or students to file an agreement authorizing the agency/institution to recover any amounts advanced for travel expense purposes from the amounts claimed and allowed the employee or student as reimbursement for actual expenses incurred or add them to the receivable account of the student.

C. Procedure for obtaining travel advance funds:
   1. The traveler completes the Revolving Travel Fund Repayment Agreement form.

   2. The traveler obtains approval of his/her supervisor as indicated on the form and forwards the completed forms to the Travel Advance Fund Custodian.

   3. Travel advance requests, including those submitted by mail, should be processed, with advance check prepared, within five (5) working days after receipt, provided that travel advance check should not be released more than 10 working days prior to planned travel.

Employees should be notified when travel advance checks are available and/or the advance checks should be routed to the traveler.

4. Repayment of travel advances will be made according to the following guidelines:
   a. A Travel Reimbursement form, TR-1, or equivalent should be filed within fifteen (15) working days after the traveler returns to his/her official station. Failure to submit the TR-1 or equivalent to the proper unit in a timely manner may result in the traveler being permanently barred from utilization of the Travel Advance Fund.

      NOTE: For student groups (large or international), a travel reimbursement form, TR-1, or equivalent should be filed with the institution within sixty (60) days after travel to allow for the timely repayment of travel advance funds.

   b. Anyone who has been issued a Sponsored Business Travel Card (SBTC) and who obtains a travel advance, without first obtaining written authorization from his/her supervisor, may be permanently barred from the Travel Advance Fund.

   c. If the traveler is no longer employed by the issuing organization and the travel advance has not been repaid by the borrower, the debt will be forwarded to the proper unit within the agency for collection.

Policy 9 - State Travel Card Use

Procedures for Authority to Use Credit Cards

Approval for use of all credit cards rests with the Chief Fiscal Officer of the State. At the present time, the only state-sponsored cards approved for agency use are the "Arkansas Procurement Card" (P-Card), the "Arkansas Sponsored Business Travel Card" (SBTC), the "Central Travel Service" Account (CTS) or *"Ghost Account"*, and the State Fuel Card.

State agencies or institutions of higher education having credit cards in force on December 31, 2002, were allowed to retain those cards. Any agency credit card account established after this date that was not requested from and approved by the Chief Fiscal Officer of the State must be cancelled as soon as practical and invoices are paid.

Directors of state agencies, boards, and commissions, and presidents and chancellors of institutions of higher education may request from the Chief Fiscal Officer of the State, in writing, authority to establish an agency commercial account.
Requests shall state:

Purpose, intended use of card
Number and type of cards
Detail method of controls
Justification

The DFA - Office of Accounting and the TSS - Office of State Procurement shall review requests to establish agency credit cards and provide the Chief Fiscal Officer of the State their recommendation.

The Chief Fiscal Officer of the State shall not be liable for any unauthorized expenditure through the use of credit cards.

The administrative head of the board, commission, agency, department, or institution shall be responsible for ensuring that only authorized charges are paid as the result of the use of any authorized credit card and the collection for any unauthorized expenditures that may occur.

The administrative head of the board, commission, agency, department, or institution may appoint a travel administrator to administer travel functions within their agency. However, the responsibility for taking corrective action for any abuses discovered rests with the administrative head of the board, commission, agency, department, or institution. Individuals on state business shall use the Arkansas Sponsored Business Travel Card (SBTC), Central Travel Service Account (CTS), or provide themselves with sufficient funds or personal credit cards for necessary travel expenses. Meals are no longer a qualified expense allowed on any travel credit card issued by the State of Arkansas for an individual traveler. Nothing in this policy removes the responsibility of the administrative head of an agency from being required to report to the Chief Fiscal Officer of the State and the Division of Legislative Audit incidences of fraud and/or theft as required by law.

NOTE: For more specific information on the Travel Card Program refer to the TSS - Office of State Procurement web site: https://www.transform.ar.gov/procurement/state-credit-cards/

An exception to provision(s) established in this policy shall only be granted by the Chief Fiscal Officer of the State based on written request and justification from the administrative head of an agency or institution. All requests for exceptions should be addressed to the Director of the TSS - Office of State Procurement who, in consultation with the DFA - Office of Accounting State Controller, will make a recommendation to the Chief Fiscal Officer of the State regarding such request(s).

Policy 10 - Procedures for TR-1 (Travel Reimbursement)

The Travel Reimbursement Form (TR-1) is the standard form to be utilized by all state officials, including board members and employees, for the purpose of claiming reimbursement for travel expenses incurred by the traveler for meals, lodging and mileage on personal vehicles used in connection with the official business of the State. Appendix A Travel Reimbursement Form (TR-1) Electronic equivalents of this form may be used so long as the elements of information required on the official form are included. This form is also to be used for itemizing any miscellaneous expenses incurred by the traveler. A recapitulation of all expenses incurred by the claimant will appear on this form. All travel advances will be deducted on this form.

Where non-state employees and other official guests of the State are authorized to render service on behalf of the State, and for “wards of the State” (inmates, foster children, patients, or other persons in the care of the State), their names and expenses will be set out on form TR-1 or electronic equivalent. If, in addition to his/her expenses, a non-state employee performs official service for which he/she is paid a fee, the travel reimbursement process is not to be used to pay the fee, but his/her invoice for professional services is to be paid in the usual manner on the general expense document with the proper professional invoice attached. The following procedures will be utilized in submitting claims for reimbursement:

A. All travelers requesting reimbursement must complete a TR-1 form or equivalent. Changes to the official TR-1 may be made to include additional information, but no parts can be deleted.

B. All forms must be prepared electronically, typewritten, or in ink, and may be processed electronically where that capability exists on the State's central accounting system, or the system used by the agency or institution. The original, bearing the traveler's signature, shall be filed with the Agency*; **the traveler should retain a copy**.*

C. Where charges for transportation, lodging, and conference registrations are not billed directly to the State, the following documentation is required for reimbursement:

   1. Reimbursement for transportation must be supported by an original (or, in accordance with A.C.A § 19-4-815 (b), confirmation number in the case of electronic tickets) vendor document describing the travel, indicating the cost.

   2. Reimbursement for lodging must be supported with a hotel document indicating the lodging specifics.

   3. A descriptive vendor document must support reimbursement for conference registrations.

D. Primary responsibility for authenticating travel reimbursement claims rests with the administrative head of the agency or their designee(s).

E. All claims for reimbursement of expenses must be itemized and attested to by the claimant and approved by the administrative head of the agency or his designee(s).

F. If an airline charges a baggage fee for the first checked bag of the traveler, then the Agency is authorized to reimburse the traveler for the charge. Fees for a second checked bag must be paid by the traveler and are not eligible for reimbursement.

Travel Expense Reconciliation Form

A Travel Expense Reconciliation form (Appendix B) or electronic equivalent, must be attached to each travel reimbursement request form when presented for payment in those cases where all travel expenses were not paid by the employee. The traveler will indicate on this form expenses not paid by him/her that were direct billed or charged to the agency. The original will be retained in the agency's permanent files as proof that the allowable daily maximum(s) for travel has not been exceeded.

The receipts provided to the traveler at the time of purchase, particularly for lodging and commercial transportation, must support the Travel Expense Reconciliation form filed in the agency.

Policy 11 - Travel in State-Owned Vehicles

A.C.A § 19-4-905 and A.C.A § 19-4-907 authorize the policies regarding the use of state-owned motor vehicles.

A. Each state vehicle will contain a log that is maintained each time the vehicle is driven. The log should contain the following information: the driver's name, beginning and ending mileage, number of gallons and cost of fuel purchased, the cost and a description of any maintenance/ repairs, and remarks concerning any problems encountered with the vehicle.

B. Self-service gasoline pumps shall be used to purchase fuel.

C. Seat belts must be worn at all times by the driver and passengers.

D. No smoking shall be allowed in state vehicles.

E. The vehicle registration, insurance identification card, and Arkansas Motor Vehicle Accident Report form (SR-1) shall always be kept in each vehicle.

F. Accidents must be reported to the driver's supervisor and the insurance carrier/designated risk management representative, whichever is appropriate for state vehicle insurance, within 24 hours of the occurrence, or by the following business day. The supervisor shall comply with the procedures and reporting requirements of the Motor Vehicle Policies issued by the Office of Administrative Services of the Department of Finance and Administration.

G. Traffic violations must be reported to the driver's supervisor within 24 hours of the occurrence, or by the following business day.

H. Authorization to operate a state vehicle is given only to employees who are duly licensed in accordance with the requirements of all applicable state laws, and who have completed the authorization to obtain the Traffic Violation Record and Vehicle Operation forms.

I. State agencies and employees shall strictly comply with all policies, records, reports, and procedures issued by the Department of Finance and Administration regarding use of vehicles allowed under the Governor's Policy Directive # 3. Any exceptions to the use of state-owned vehicles shall be in compliance with the Governor's Policy Directive #3 regarding the use of state vehicles.

NOTE: Motor vehicles that are for special use and confined to specific areas such as parks and maintenance facilities may be exempted from item A. Those vehicles fueled from bulk tanks are exempted from item B. It is the responsibility of the head of the agency or institution to ensure that adequate records of use and service exist to account for the whereabouts and expenses of such vehicles.

Taxable Use of State Vehicle

Personal use of a state vehicle is considered a taxable benefit. IRS Publication 15b details the various methods of determining the value of the benefit for tax reporting purposes. The valuation rules are different for elected officials, highly compensated employees, and those employees not elected or highly compensated. The responsible administrative head shall ensure that the Payroll Unit of each agency, department, and institution performs proper reporting for taxable use of state-owned vehicles. http://www.irs.gov/pub/irs-pdf/p15b.pdf

State employees and officials who drive state-owned motor vehicles to commute from and to their residence must compute the value of the benefit they receive and have the benefit added to their

reportable salary for tax purposes. This calculation and remittance of payroll taxes must be done at least annually prior to December 31 each year.

Elected officials are considered “Control Employees” and, therefore, must calculate the benefit of use of the state-owned vehicle using the Fair Market Value rule per IRS Publication 15b. The taxable benefit includes the lease value of the vehicle and the fuel purchased for that vehicle. The calculated benefit plus fuel cost will be reduced by the same rate for reimbursements to the State per A.C.A § 19-4-903(b)(2)(B), for tax reporting purposes. The calculation method and tables for computing the benefit may be found at: http://www.irs.gov/pub/irs-pdf/p15b.pdf.

State employees whose compensation equals or exceeds the Federal Government Executive Level V compensation are considered a “Control Employee” and must also use the Fair Market Rule per IRS Publication 15b. The current salary level can be found on the U.S. Office of Personnel Management’s website at: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/.

State employees whose compensation is less than the Federal Government Executive Level V compensation will use the “Commuter Rule” for calculating their taxable benefit for the use of the State vehicle.

Reimbursable Use of State Vehicle

Reimbursement for the Use of State-Owned or Leased Motor Vehicles for Transportation To and/or From an Employee's Residence is governed by A.C.A § 19-4-903(b)(3)(A)(i) which states that ”Any employee of the State of Arkansas who utilizes, but whose job does not require the state employee to utilize, a state-owned motor vehicle for transportation to or from his or her permanent residence from or to his or her official station on a daily basis shall reimburse the fund from which the operating expenses of the state-owned motor vehicle are paid at the same rate authorized by the state agency director of the agency employing the state employee for reimbursements for private automobile usage under subdivision (b)(2)(B) of this section.” This includes any employee of a state agency, board, commission, department, or state-supported institution of higher education. Use of all state-owned or state-leased motor vehicles shall be for official business use only.

The administrative head of each state agency, board, commission, department, and institution shall be responsible for determining which of their employees utilize a state-owned or state-leased motor vehicle for transportation to and/or from their permanent residence to their official place of duty when such use of a state vehicle is not a requirement of the employee’s job. A permanent record of such employees shall be established in each agency containing the following:

1. Name of the employees
2. Address of their permanent residence and official duty station
3. Number of miles between their permanent residence and their official duty station
4. The amount each employee will be required to reimburse the State at the rate of fifteen (15) cents per mile daily current rate of reimbursement for private automobile usage on state business
5. Amount billed to each employee
6. Amount paid by each employee

Each agency will establish a system of billing employees for reimbursements required and receipting for payments received from the employees. All reimbursements collected will be deposited promptly (at least monthly) to the general ledger account from which the operating expense of the particular motor vehicle is paid by the agency.

Each state agency, board, commission, department, and institution shall be responsible for maintaining records prescribed herein and copies of transactions concerning mileage reimbursement for audit purposes. Information on personal mileage reimbursement is entered and stored in the State Agency Vehicle Application (SAVA) system.

Policy 12 – Policy Updates and Distribution

The Travel Policy will be updated as necessary under the authority of the Chief Fiscal Officer of the State. The Department of Finance and Administration - Office of Accounting will prepare all updates and distribute the updates to the policy via e-mail distribution notification to state agencies and institutions.

The purpose of the appendices is to provide pertinent information that is subject to frequent change, such as forms, mileage/hotel reimbursement rates and website addresses.

The Chief Fiscal Officer of the State shall establish the reimbursement rates for use of a privately owned motor vehicle or privately owned aircraft while traveling on official state business. Those reimbursement rates shall be set out in Appendix C to this policy.

If the Chief Fiscal Officer of the State determines that adjustments to the reimbursement rates in Appendix C are necessary, he or she shall announce the revised rates through the issuance of an updated Appendix C. Updates to Appendix C may be made without the promulgation of an amendment or revision to this policy. Each update to Appendix C shall clearly state the effective date of the revised reimbursement rates. The reimbursement rates established by the Chief Fiscal Officer for use of a personal motor vehicle on official state business shall not exceed the per mile rate allowed for business use of a privately owned motor vehicle as provided by the Internal Revenue Service, unless a higher rate is otherwise allowed by Arkansas law.

The Travel Policy will be placed on the Department of Finance and Administration official website https://www.dfa.arkansas.gov/accounting-office/ but shall also be made available in hard copy form upon request. Request for changes and comments regarding policies may be emailed to the State Controller, Office of Accounting at: mailto:DFA-OfficeofAccounting@dfa.arkansas.gov.

APPENDICES

Appendix A

Travel Reimbursement Form (TR-1)

Appendix B

Travel Expense Reconciliation

Appendix C

The rates for reimbursement for mileage as established by the Chief Fiscal Officer of the State are as follows:

Private vehicle mileage **$ 0.42** cents per mile (effective 3/01/2009 through 3/16/2022)
$ 0.52 cents per mile (effective 3/17/2022 and after, until revised)

Private aircraft mileage $ **0.52** cents per nautical mile (effective 10/01/2005)

Appendix D

US General Services Administration (Domestic Per Diem Rates) https://www.gsa.gov/travel-resources

Reimbursement rates for Alaska, Hawaii, U.S. Territories and Possessions are set by the Department of Defense. https://www.travel.dod.mil/Travel-Transportation-Rates/Per-Diem/Per-Diem-Rate-Lookup/

Reimbursement rates for foreign countries are set by the State Department. https://aoprals.state.gov/