# STATE OF ARKANSAS

# TRAVEL REGULATION

## Effective date
## January 1, 2003

(Unless otherwise noted)

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## Authority, Chief Fiscal Officer, Rules and Regulations

### Rules and Regulations Generally

The Chief Fiscal Officer of the State is authorized by ACA 19-4-901 to promulgate rules and regulations with respect to travel and travel allowances and prescribe the forms and procedures for reporting, approving, and paying such travel allowances for all officers and employees of state government or for other persons who are authorized to carry out official duties in connection with the business of the state.

### Exempt Persons and Agencies

In accordance with ACA 19-4-904, the limitations of rules 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 regulation 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 ACA 19-4-903 and other law for specific purposes where such allowances exceed those authorized in this regulation.

## Rule 1 Responsibility and Accountability for Travel Authorizations and Disbursement

Effective date 1/01/03

ACA 19-4-902 places the authority and responsibility of authorizing and approving travel expenses with the board or commission in charge or to 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 the form prescribed under the provisions of ACA 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.

Under authority of ACA 19-4-903, the administrative heads of the various departments, boards, commissions and institutions of the State of Arkansas may promulgate and enforce regulations governing travel that are more restrictive than those promulgated 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 ACA 19-4-904 and other state law.

## Rule 2 Standard Reimbursements for State Employees and Officials

Effective date 1/01/2003

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 Rule 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 "special authorizations", under ACA 19-4-903 are authorized by the agency head or travel administrator.

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

## 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,** Appendix D, **PLUS APPLICABLE SALES TAX.** (Sales tax rate must be stated on Travel Reimbursement (TR-1) forms or equivalent in instances where the sales tax causes the maximum per diem rate(s) to be exceeded.)

## Meals

Reimbursement for meals is allowed only in connection with overnight travel, whether in state or out of state unless "special authorizations", under ACA 19-4-903 are authorized by the agency head or travel administrator. The maximum full day meal allowance will be the Federal-per-Diem rate depending on the destination location. 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 location(s). Although receipts for meals are not required by this rule, the administrative heads of agencies, departments and institutions may require them. See the Federal-per-Diem site @ http://www.policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml.

## Lodging

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. Lodging costs exceeding the rates listed in the Federal Travel Directory may not be paid without a letter of authorization by the administrative head 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. Except for institutions of higher education exempted under ACA 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-per-Diem site @ http://www.policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml.

## 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 when driven.

The minimum miles traveled per day to be eligible to collect a night's lodging must be 400. 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.

## Reimbursement for Use of Privately Owned Vehicle

Private vehicle mileage shall be reimbursed and computed, using map mileage, 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 owner 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 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 owner 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 the rate as established by the Chief Fiscal Officer of the State, under the provisions of ACA 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 ACA 19-4-904, expenses for personal entertainment, tips, 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.

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

2. 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 exists 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.

## Rule 3 Special Travel Authorizations

Effective date 1/01/03

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 residence to the place of performance of the duties and back via private 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 and travel authorized, and the consequences had the duty not been performed is required.

In accordance with ACA 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. Such approval shall be in writing, and shall be included in the documentation (attached to the TR-1 form) for the reimbursement or payment of such expenses.

## Rule 4 Expenses for Non-State Employees

Effective date 1/01/03

### Volunteers, Non-State Employees and Official Guests

A non-state employee or an official guest of the state, whose activities or services benefit the state, may be allowed reimbursement for actual expenses for meals, lodging, transportation and incidental expenses when submitted on a TR-1. Travel reimbursement for these individuals may be approved with a written explanation of the activities by the administrative head, or designee of the agency. It is the responsibility of the travel administrator to ensure these individuals are not being reimbursed from any other source for their travel expenses. Federal employees who travel for the state agency shall be regarded as a state employee and shall be reimbursed as such. The TR-1 form should show that this employee is on the payroll of the Federal Government and assigned to this agency.

Every agency/institution that utilizes the services of volunteer workers who perform duties similar to state employees is authorized to provide reimbursement for meals, lodging and travel, subject to the same rules and regulations governing state employees. Volunteers may utilize agency vehicles in the performance of their duties subject to those rules and regulations governing the use of state vehicles by paid staff.

### Expenses of Students

In accordance with ACA 19-4-904 (d) state supported institutions of higher education may provide travel expenses for a group or number of students who, when accompanied by those who instruct the students in the fundamentals of a competitive sport and direct team strategy, must travel and be recognized as a cohesive unit representing not only their institution, but exemplifying the State of Arkansas in their behavior, attitudes, interests, presentation and conduct. In these circumstances the payment of group travel expenses, including those of students and employees, may be authorized as follows:

> Meals and lodging, transportation, entertainment, within reasonable limits, to ease the pressure on students of their objectives, costs of group activities, including gratuities, laundry, cleaning and favors, and other personal expenses to be paid from auxiliary funds not inconsistent with standards, rules, regulations, or prohibitions established by recognized national or state governing associations pertaining to the respective students and employees and the institutions they are representing.

Wards of the State

Expenses incurred by employees in connection with the transportation of residents or inmates of state institutions, or for the apprehension and return of escaped prisoners, parole violators, or other wards of the state, will be regulated by the circumstances, and necessary actual expenses will be allowed. The employee will claim these expenses on their statement of travel expenses.

## Rule 5 Honorary Board, Commission and Committee Member Travel and Expenses

Effective date 1/01/03

A. Stipends and/or expense reimbursement to all boards and commissions (excluding the State Highway Commission and the Game and Fish Commission) are authorized and governed by ACA 25-16-901-908. Each state board, by a majority vote of the total membership of the board cast during its first regularly scheduled meeting of each calendar year, may authorize payment to its members of a stipend, not to exceed the amount allowed by ACA 25-16-903-905, per official meeting attended.

B. When it is required of 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 ACA 25-16-902. Claims must be on a TR-1, or equivalent.

C. The expense reimbursement for board or commission members shall not exceed the rate established for state employees.

D. The administrative head of an agency, department or institution may, for the convenience of the board and commission members, pay for their meals and lodging when on official business for the state, and claim reimbursement for their expenses on a TR-1 form or equivalent.

## Rule 6 Recruitment and Relocation Expenses

Effective date 1/01/03

The administrative head of a state organization or his/her authorized representative may approve relocation expenses of existing state employees. Further, ACA 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 transfer 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, hire 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 **Publication 535** at the following web address: http://www.irs.gov/formspubs/page/0,,id=79361,00.html

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.

## Rule 7 Direct Billing of Expenses

Effective date 3/01/03

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 Arkansas Agency Travel Card.

### 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 Agency Travel Card Program (Sponsored Business Travel Card Account). 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 ***(Adobe PDF file)***, 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.

## Rule 8 Rental Vehicles

Effective date 1/01/03

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. Agencies must use the statewide vehicle rental contract if one is in force. If a statewide contract is not in force when travel occurs, agencies will use the lowest available rates. The Office of State Procurement issues contracts for vehicle rental and should be contacted for information about contract arrangements.

## Rule 9 Travel Advance Revolving Funds

Effective date 3/01/03

In accordance with ACA 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.

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.

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). All travel advance funds in operation on the effective date of this rule are hereby approved.

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 travel card are discouraged from using the Revolving Travel fund. Should it become necessary for a cardholder to apply for a travel advance, 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.

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 the Sponsored Business Travel Card.

Within Arkansas:

Anticipated meals (airfare, lodging, vehicle rental) should be direct billed using the Sponsored Business Travel Card).

Within the Continental United States:

Anticipated meals and taxi (airfare, hotel, vehicle rental) should be direct billed using the Sponsored Business Travel Card).

Outside the Continental United States:

Where the travel destination of the traveler and/or group **does not** provide access to the Sponsored Business Travel Card (SBTC) or other electronic means of accessing funds, the cash advance may be 75% of total anticipated travel expenses, less air fare and hotel which may be direct billed using the Sponsored Business Travel Card.

Where the travel destination of the traveler and/or the group **does** provide access to the Sponsored Business Travel Card (SBTC) or other electronic means of accessing funds, the cash advance **should not be** authorized, but in no event will it exceed 50% of the total anticipated travel expenses. Airfare and hotel may be direct billed.

> **NOTE:** Travel advances for student/client/group activities as defined by ACA 19-4-904 (d) may be made for 90% of the anticipated expenses that are not to be direct billed to the institution.

Specific exceptions to this policy may be addressed via email to the director, Office State Procurement at mailto:OSP@dfa.state.ar.us 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.

B. 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: travel advances will be repaid according to the following guidelines:

   a) A Travel Reimbursement form, TR-1, or equivalent should be filed within five (5) 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.

   b) Anyone who has been issued a state travel card 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.

## Rule 10 State Travel Card Use

Effective date 3/01/03

### Procedures for Authority to Use Credit Cards

Approval for use of all credit cards rests with the Chief Fiscal Officer of the State. The State of Arkansas' "Arkansas Procurement Card", "Arkansas Sponsored Business Travel Card" (SBTC), and oil company cards in force on December 31, 2002 are approved. No other retail credit cards issued in the name of state agencies and institutions may be used after the adoption of these travel regulations and must be cancelled as soon as practical and billings 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 Office of Accounting and the 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 activities. 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 Business Travel Card-Individual Account (BTA) or provide themselves with sufficient funds or personal credit cards for necessary travel expenses. Nothing in this regulation 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 Office of State Procurement web site @ http://www.accessarkansas.org/dfa/purchasing/index.html**.**

An exception to provision(s) established in this rule 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 State Procurement Director, who will make a recommendation to the Chief Fiscal Officer of the State regarding such request(s).

## Rule 11 Procedures for TR-1 (Travel Reimbursement)

Effective date 1/01/03

The Travel Reimbursement instructions Form (TR-1) Appendix A (website address: http://aasis.state.ar.us/Forms/formFltrvlexpensereimbursmnt.htm) 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. 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.

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-1or electronic equivalent. If, in addition to his 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.

*B.* All forms must be prepared electronically, typewritten or in ink and may be processed electronically where that capability exists on the state 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 ACA 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).

## Travel Expense Reconciliation Form

A travel expense reconciliation form (Word or Adobe PDF file) 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.

## Rule 12 Travel in State-Owned Vehicles

Effective date 1/01/03

ACA 19-4-905 and ACA 19-4-907 authorize the regulations promulgated 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. 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 shall be strictly complied with. 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. Refer to IRS Publication 15b for conditions and methods. The responsible administrative head shall ensure that the Payroll Unit of each agency, department, institution performs proper reporting for taxable use of state owned vehicles.

State employees and officials who drive state owned motor vehicles for personal use, whether limited to commuting from and to their residence, are subject to receiving an amount on their wage statement W2 form for the value of the uses of the vehicle. Various conditions and factors determine the method and amount of such value. Internal Revenue Service (IRS) Publication 15b sets out the valuation rules.

When computing the value of the personal use of a state vehicle to determine the benefit amount to be reported on the annual statement of wages, any reimbursements made under the provisions of ACA 19-4-903 (b) (2) (A) may be subtracted from the total taxable benefit for vehicle usage.

## 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

ACA 19-4-903 (b) (2) (A) states that any employee of the State of Arkansas, who utilizes, but whose job does not require the employee to utilize, a state-owned motor vehicle for transportation to or from his permanent residence from or to his official station on a daily basis shall reimburse the fund from which the operating expenses of the motor vehicle are paid at the rate of $0.15 cents per mile for each mile or portion thereof in excess of ten (10) miles each way provided that all state-owned or leased 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 leased vehicle for transportation to and/or from their permanent residence to their official place of duty that exceed the distance of ten (10) miles each way by the shortest route. 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. Number of miles or portion thereof which exceed ten (10) miles each way or twenty (20) miles per day;

5. The amount each employee will be required to reimburse the state at the rate of fifteen (15) cents per mile daily;

6. Amount billed to each employee;

7. 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.

**Rule 13 Regulation Updates and Distribution**
Effective date 1/01/03

Travel regulations 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, ensure compliance with the Administrative Procedures Act process, and distribute the updates to the regulations via e-mail distribution notification to state agencies and institutions. The regulations will be placed on the Department of Finance and Administration official web site http://www.accessarkansas.org/dfa/ but shall also be made available in hard copy form upon request. Request for changes and comments regarding regulations should be directed to the administrator, Office of Accounting.

Signed this _____ day of _____, 2002.

_____
Richard Weiss, Director
Department of Finance and Administration

_____
Tim Leathers, Deputy Director
Department of Finance and Administration

**Appendix A** Effective Date 1-1-03

**Travel Reimbursement Request Form (TR-1) (Excel or Pdf)**

(For reporting all types of travel expenses, including mileage)

**Appendix B** Effective date 1-1-03

Travel Reconciliation Form (excel) Travel Reconciliation Form.(pdf)

**Appendix C** Effective Date 6-1-04

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

Private vehicle mileage **$ 0.34** cents per mile

Private aircraft mileage **$ 0.45** cents per nautical mile

**Appendix D** Effective Date-as indicated in document

**Federal Travel Guide**

Web site address: http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd04d.html