



Agency Policies and Procedures

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## Employee Travel Expenses

### Policy Objectives:

Agency policies and procedures for travel and employee reimbursements are designed to provide guidance to employees on appropriate expenses.

### Background Information:

Travel reimbursement policies and procedures relate to the reimbursement of employee travel expenses incurred while conducting state business.

These agency policies and procedures supplement the State of Minnesota Travel Policy.

### Authority:

- **State of Minnesota Travel Policy** specifies and states policies and procedures for employee travel expenses.
- **Minnesota Statutes**
  - [M.S. § 43A.38, subd. 2](#) *Acceptance of Gifts; Favors* - specifies the state's code of ethics for employees in the executive branch prohibits the acceptance of gifts, compensation, rewards, gratuity, etc.
  - [M.S. § 16A.15, subd. 3](#) *Allotment and Encumbrance* - specifies that a payment may not be made without prior obligation.
  - [M.S. § 15.435](#) *Airline Travel Credit* - specifies travel credit (frequent flyer miles) accrues to the state, not the employee.
- [SEMA4 Number PAY0020](#) *Travel Advances, Short-term and Annual* (MAPS Operations Manual Policy and Procedure 0809-01) – This policy provides guidelines for employee travel advances.
- [SEMA4 Number PAY0022](#) *Employee Relocation Expenses* (MAPS Operations Manual Policy and Procedure 0809-03) – This policy provides guidelines for employee relocation expenses.

### Business Risks:

- Noncompliance and/or inconsistent application of this policy may cause delay or withholding of reimbursement.
- Employees who do not comply with this travel policy may be subject to disciplinary action.

### Policies and Procedures:

1. Procedure for Employee Travel Reimbursement

- A. Each employee must complete form FI-00532, [SEMA4 Employee Expense Report](#). Follow the instructions found on the back of the form.

- B. Submit completed form to your supervisor for his/her review and approval.
- C. Submit approved form to Financial Management & Reporting Division (FMR) payment & expense reimbursement specialist.
- D. Reimbursed travel expenses will appear on the employee's paycheck.
- E. A travel reimbursement request submitted after July 15 for expenses incurred during the previous fiscal year requires the employee to complete Part II of the form FI-0142A, *Notice of Encumbrance Rejection*. This form requires signatures from the employee, supervisor, and the financial management director and an explanation as to how this action will be prevented in the future.

## 2. Responsibilities

- A. Employee – For travel on state business at state expense, employees are responsible for the accurate completion of all required forms. The employee must receive approval from his/her supervisor prior to travel. Employees will be reimbursed according to his/her bargaining unit agreement or compensation plan. Attach all required original receipts to the expense report. The employee must complete form FMR-003, *Affidavit in Lieu of a Receipt*, when the original receipt is not submitted.
- B. Supervisor – The supervisor is responsible for the approval of all state business travel. Approval is based on the necessity for business travel and compliance with all applicable travel regulations.
- C. Division Director – The division director approves all out-of-state travel on form FMR-004, *Authorization for Out-of-State Travel*.
- D. Commissioner/assistant commissioner (or designee) – Along with the division director these individuals must approve all out-of-state travel.

## 3. Travel Advances – An employee may request a travel advance subject to minimum amounts determined by his/her bargaining unit agreement or compensation plan.

## 4. Travel Expenses

- A. Meals – An employee will be reimbursed for the actual cost of a meal, including tax and a reasonable gratuity up to the maximum established in his/her bargaining unit agreements or compensation plans. Cost of a meal does not include alcoholic beverages.
- B. Lodging – An employee should always stay at a facility that is reasonably priced and request government or corporate rates. The employee must stay at a licensed lodging facility and cannot be reimbursed for staying at a non-licensed lodging facility.
- C. Rental Car – An employee may consider a rental car if business travel (other than between airport and meeting site) is required and public transportation is clearly not adequate. Justification for use of a rental car must be submitted on form FMR-004, *Authorization for Out-of-State Travel*, prior to renting the car. In the event of an accident involving a collision or comprehensive damage with a rental vehicle, the employee is to immediately notify the Risk Management Division at (651) 205-4382.
- D. Mileage
  - 1. Trip miles are miles traveled from city to city. The official state map or the official state mileage book may be used to determine trip miles. If actual odometer readings are used, specific places of departure and arrival are to be shown on the expense form.
  - 2. Local miles are miles traveled in the vicinity of the home station or miles traveled to accomplish the purpose of the trip after reaching your destination. The actual odometer readings used to determine these miles must be listed on the expense form.

## 5. Mileage in Lieu of Airfare

- A. Commercial or public transportation should normally be used for out-of-state travel except to communities bordering Minnesota. Travel to border communities is treated as in-state travel, and either a state or personal car may be used for this purpose.
- B. Expenses that occur while driving that would not have occurred while flying are not reimbursable. Non-reimbursable expenses include tolls, parking, lodging, meals, etc.

- C. If travel occurs during normal workdays, vacation leave must be used for any time over and above that required for air travel.
- D. A division may pay additional business expenses related to the reduced airfare provided they do not exceed the reduction.

6. Out-of-State/International Travel

- A. All travel requests must be submitted on form FMR-004, [Authorization for Out-of-State Travel](#), and written approval required by the commissioner (or designee.)
- B. An out-of-state travel authorization form must include an estimate of all costs, fare quotes (coach class), the name and location of the event to be attended, and the reason(s) the trip is necessary. If attending a conference, a conference agenda should be attached. Authorization forms are retained by FMR for auditing purposes.
- C. All international travel requires commissioner of Employee Relations (DOER) written approval per the special expense policy.

7. Frequent Flyer Mileage – Legislation requires that all frequent flyer miles earned by employees while on work-related travel be credited to the state. State employees and other officials using state funds traveling on state business and using commercial airlines that award frequent flyer miles, cannot claim these frequent flyer miles as their own. Any benefits received belong to the state. Each division is to establish a frequent flyer account and track frequent flyer miles.

8. Relocation Expenses

- A. Before an employee can incur relocation expenses the employee must complete form FI-00376 [Relocation Expense Authorization](#) receive approval from the appointing authority (or designee.) An estimate of all costs to be reimbursed and the time period must be listed. If an advance is requested, it should be requested no earlier than two pay periods before the funds are needed.
- B. After an employee incurs relocation expenses, he/she is responsible for the accurate completion of all required forms, including form FI-00333 [Employee Relocation Expense](#). The employee will be reimbursed according to his/her bargaining unit agreement or compensation plan. To relocate a new state employee, see DOER personnel rule 3900.2200 for reimbursement conditions and limits.
- C. Upon completion of the relocation period (or periodically as expenses are incurred), complete the form FI-00333, [Employee Relocation Expense](#) and submit along with required original receipts to your new supervisor. Settlement of an advance should occur when the expenses are submitted. If the advance is not settled at the time the final expenses are submitted, the amount will automatically be recaptured (deducted) from the employee's next paycheck.

**Forms:**

Admin Forms:

- FMR-003, [Affidavit in Lieu of Receipt](#)
- FMR-004, [Authorization for Out-of-State Travel](#)
- FS-00022, [Request for Approval to Incur Special Expenses](#)

DOF Forms:

- FI-00333, [Employee Relocation Expense](#)
- FI-00376, [Relocation Expense Authorization](#)
- FI-00532, [SEMA4 Employee Expense Report](#)
- FI-0142A, [Notice of Encumbrance Rejection](#)

**See Also:**

Labor agreements and compensation plans

Department of Employee Relations, Personnel Rule 3900.2200, *Relocation Expenses*

Department of Employee Relations, Administrative Procedure 4.4, *Special Expenses*

Department of Administration, Policy and Procedure ADM-74, *State Passenger Fleet Management Policy*

Department of Administration, Policy and Procedure ADM-5 SAC, *Private Car Reimbursement*

FMR-4D-01, [Special Expenses](#)

**FMR-003-01 (3/28/00) see forms directory**

**FMR-004-01 (3/28/00) see forms directory**