



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

James C. Williamson, Ph. D.

President

December 7, 2016

MEMORANDUM

TO: Chief Business Officers
Controllers/Bookkeepers

FROM: Brandy Andrews, Associate Vice President
College Finance & Operations

RE: Revised Travel Policy

We received communication from the Office of State Budget and Management (OSBM) about a change to the mileage reimbursement policy for private vehicle use. OSBM is working on a comprehensive update to the State Budget Manual and this change will be reflected in the update. Per the attached OSBM email, this new policy is effective immediately. Any travel initiated prior to December 1 should be handled under the prior policy.

As stated in 1H SBCCC 200.5 Expenditure of State Funds: Travel and Allowances, "State funds shall be expended for travel consistent with travel procedures prescribed by the Office of State Budget and Management in the State of North Carolina Budget Manual or a policy adopted by the college's board of trustees that is more restrictive..".

The following options still apply and should continue to be reflected in your local travel policies:

- Maximize utilization of college owned vehicles
- Make use of State term contracts for short-term rentals (State Term Contract 975B Vehicle Rental Services)
- Reimburse for use of personal vehicles

The revised policy impacts mileage reimbursements for use of personal vehicles. The previous 75 miles round trip restriction has been increased to 100 miles and is now applied to each day that the employee is in travel status.

When round trip mileage does not exceed 100 miles per day that the employee is in travel status: Employees can be reimbursed the business standard mileage rate set by the Internal

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Revenue Service (currently, 54 cents per mile) when using their personal vehicle for state business. Prior travel policy had this set at 75 miles round trip (numbered memo CC16-008).

When round trip mileage does exceed 100 miles per day that the employee is in travel status:

Employees can be reimbursed at the business standard mileage rate set by the Internal Revenue Service for 100 miles per day in travel status with any additional miles over 100 miles per day of travel status reimbursed at the medical or moving purpose rate set by the Internal Revenue Service (currently, 19 cents per mile). For example: An employee in travel status for Monday – Wednesday is allowed 300 miles reimbursed at the business standard mileage rate. All mileage over 300 would be reimbursed at the medical or moving purpose rate.

To assist in the understanding of this change OSBM provided updated wording for section 5.1.26 Transportation by Personal Vehicle that will be reflected in the updated Budget Manual. This revision has been attached for reference and reflects current (December 2016) IRS mileage rates. Any IRS rate change in January will be communicated to colleges and need to be updated locally.

Attachment

OSBM email dated December 1, 2016

Subject: Budget Manual – Revised Mileage Reimbursement Policy

From: Yount, Anna [mailto:anna.yount@osbm.nc.gov]
Sent: Thursday, December 1, 2016 4:03 PM
To: CFO-OSBM <CFO-OSBM@osbm.nc.gov>; DH-OSBM <DH-OSBM@osbm.nc.gov>
Cc: OSBM <OSBM@osbm.nc.gov>
Subject: [Cfo-education-osbm] Budget Manual- Revised Mileage Reimbursement Policy

Good afternoon,

Attached please find OSBM's revised reimbursement policy for personal vehicle use. OSBM is currently in the process of completing a comprehensive update to the State's Budget Manual, and this revised policy will be reflected in the Budget Manual once this update is complete. However, this new policy will go into effect December 1, 2016. Any travel initiated prior to December 1 should be handled under the prior policy. Please contact your budget analyst if you have any questions on the revised policy.

Thank you,

Anna Yount
Executive Assistant to
State Budget Director Andrew T. Heath
NC Office of State Budget and Management (OSBM)
919.807.4716
anna.yount@osbm.nc.gov

116 West Jones Street, Suite 5200
Raleigh, NC 27603
(20320 MSC, Raleigh, NC 27699-0320)



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5.1.26 Transportation by Personal Vehicle

It is the intent of the State that state employee travel shall be conducted in the most efficient manner and at the lowest and most reasonable cost to the state. With regard to passenger vehicle travel, whether in- or out-of-state, agency travel policies shall:

- Maximize utilization of state-owned vehicles (agency-owned or agency-assigned vehicles owned by the Department of Administration),
- Make use of State term contracts for short-term rentals (State Term Contract 975B Vehicle Rental Services), and
- Reimburse for use of personal vehicles on a limited basis.

Agencies are encouraged to establish policies that promote efficient travel, such as ride-sharing. When State-owned resources are not available, the agency may procure vehicles through the State's term contracts or reimburse use of personal vehicles. If a state employee chooses to use a personal vehicle, actual mileage is reimbursable. Mileage is measured from the closer of duty station or point of departure to destination (and return). A state employee shall be reimbursed the business standard mileage rate set by the Internal Revenue Service (54 cents per mile effective January 1, 2016) when using their personal vehicle for state business when the round trip does not exceed 100 miles per day of travel. However, if a state employee chooses to use a personal vehicle when the round trip exceeds 100 miles per day of travel, all departments and agencies will reimburse the employee at the business standard mileage rate set by the Internal Revenue Service for 100 miles per day with any additional miles over 100 miles per day of travel reimbursed at the medical or moving purposes rate set by the Internal Revenue Service (19 cents per mile effective January 1, 2016). OSBM will not consider exceptions to this policy. Parking fees, tolls, and storage fees are reimbursable when the required receipts are obtained. Fines for traffic and parking violations are the responsibility of the state employee.