

# TRAVEL TRAINING 2016: RATE CHANGES AND WHAT THEY MEAN

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# GENERAL INFORMATION

- ▶ In an effort to ensure the State Travel policy is inline with IRS standards, the State adopted federal standards for per diem subsistence rates (includes meals, incidentals, and lodging) and mileage rates Effective January 1, 2016.
- ▶ Effort was to get rates closer to actual expenses being incurred and reduce and/or eliminate any risk of payment to employees being considered an employee fringe benefit.

# IMPACTS OF CHANGE

- ▶ The new rates are based on a much more complex formula, so manual calculation will be time consuming and prone to error. There will be additional challenges in completing the Out-of-State Travel Requests, but we have developed methods for mitigating these.
- ▶ Travelers should experience higher reimbursement rates for most areas and should feel true travel expenses are more adequately addressed.
- ▶ Mid-year reduction to mileage reimbursement rate.

# HOW NEEDS ARE BEING ADDRESSED

- ▶ Redevelopment of Travel Form in Eforms to automatically calculate Meals & Incidental Expense (M&IE) Per Diem, accounting for personal time and meals provided.
- ▶ Max per diem allowance reminders and alerts included to assist departments in being proactive to take necessary steps before travel reimbursement is submitted.
- ▶ Quick Links on the General Accounting Travel page to pertinent websites and within Eforms to allow easy access to information.  
<http://www.k-state.edu/finsvcs/generalaccounting/travel.html>

# IMPACTS ON DEPARTMENTS/COLLEGES

- ▶ As the change is being implemented Mid-Fiscal Year, departments will need to weigh the impact the new rate system will have from a budgetary perspective and adjust accordingly.
- ▶ Initially departments may experience longer preparation time associated with the OSTR and the Travel Reimbursement voucher. The automation of the rates and continued development of both the Travel Form and OSTR should minimize this impact.

# SUBSISTENCE RATES

- ▶ The M&IE and lodging subsistence rates are based on federal standards.
- ▶ **CONUS**: Contiguous United States (maintained by GSA)
  - ▶ <http://www.gsa.gov/portal/content/104877>
- ▶ **OCONUS**: Outside Contiguous United States-Alaska, Hawaii, U.S. Territories (maintained by DOD)
  - ▶ <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>
- ▶ **International**: All Non-US States and Territories (maintained by Dept. of State)
  - ▶ [https://aoprals.state.gov/web920/per\\_diem.asp](https://aoprals.state.gov/web920/per_diem.asp)

# RATE DESCRIPTIONS

## Standard Rate

- ▶ Typical subsistence reimbursement rate.
- ▶ Also referred to as “Other” location rate on Federal Websites.
- ▶ Used except when the travel location specified is a non-standard area.
- ▶ Current Standard Rates:
  - ▶ M&IE: \$51
  - ▶ Lodging: \$89/\$133.50(150% rate)

## Nonstandard Rate

- ▶ A city, town, or area, where subsistence expenses incurred are reimbursed at higher than standard rates due to higher subsistence costs associated with the city, town, or geographic area.
- ▶ Previously many of these locations were called “High-Cost” or “Special High-Cost”.
- ▶ Based off of CONUS, OCONUS and International rate charts for April 1 and October 1.

# SUBSISTENCE RATE UPDATES

- ▶ The State of Kansas will update the subsistence rates semi-annually on April 1 and October 1 of each year.
- ▶ Keep in mind that although Federal rates may update in the interim, only the April 1 and October 1 rates should be used for each location.

- ▶ Rates *Published April 1* – For travel occurring between April 1 and September 30 of each year.
- ▶ Rates *Published October 1* – For travel occurring between October 1 and March 31 of each year.



# SUBSISTENCE RATES

- ▶ Travel that began in December 2015 and ended in January 2016 will need to be placed on two separate vouchers, with the December portion going on the old travel voucher and the January 2016 travel will need to go on the new voucher. Please cross-reference the vouchers to each other.
- ▶ Going forward travel beginning and ending after January 1, 2016 may all go on the same voucher.
- ▶ Some features on the new travel voucher are still in development. You may experience issues in the new voucher when trying to use the “copy” function. It is recommended you start a new voucher each time.

# REQUEST FOR OUT-OF-STATE TRAVEL (OSTR)

- ▶ Currently, the rate calculation feature is not built into the OSTR form.
- ▶ Keep in mind that the OSTR is an estimation of the expenses that will occur in relation to the anticipated travel.
- ▶ Recommend the max reimbursable rate per day be used as the estimate to simplify the OSTR Process.
- ▶ An OSTR will be needed for all out-of-state travel occurring January 1, 2016 or later. Exceptions may be granted for border city travel that began in December 2015 and ended in January 2016. Please contact General Accounting for more information.

# UNDERSTANDING SUBSISTENCE RATES

## Meals & Incidental Expense

- ▶ Previous rates accounted for meals only, with the exception of International Department of State Rates.
- ▶ New rates include meals and other incidental expenses (meals, taxes, fees, tips to waiters, bellhops, etc.)
- ▶ M&IE amount is calculated based on quarter days, with M&IE divided equally between quarters.

Time of Departure	Quarter Day	% of M&IE	
		Day of Departure	Day of Return
12:00 AM – 5:59 AM	Quarter 1	100%	25%
6:00 AM – 11:59 AM	Quarter 2	75%	50%
12:00 PM – 5:59 PM	Quarter 3	50%	75%
6:00 PM – 11:59 PM	Quarter 4	25%	100%

For example someone departing at 8:00 AM would receive 75% of the specified M& IE rate for that day and then 100% on each full business day following.

# UNDERSTANDING SUBSISTENCE RATES (CONT.)

When an employee begins travel from his or her domicile located in an area other than the city designated as the employee's official station, the actual departure time must be adjusted for excess travel time incurred.

## ▶ Departure Time:

- ▶ a. Subtract the mileage from the official station to the destination from the mileage from the domicile to the destination to determine the excess miles driven.
- b. Divide the excess miles driven by 45 miles per hour to determine the excess travel time.
- c. Add the excess travel time to the actual departure time to determine the time used for computing M&IE allowance.

## ▶ Return Time:

- ▶ a. Subtract the mileage from the official station to the destination from the mileage from the domicile to the destination to determine the excess miles driven.
- b. Divide the excess miles driven by 45 miles per hour to determine the excess travel time.
- c. Subtract the excess travel time from the actual return time to determine the time used for computing M&IE allowance.

# UNDERSTANDING SUBSISTENCE RATES (CONT.)

## Meals & Incidental Expense

- ▶ If an employee is only eligible for a portion of the daily M&IE rate, the % of the meals provided is based on that reduced rate.

	Breakfast	Lunch	Dinner
Reimbursed % of Daily M&IE Allowance	15%	35%	50%

- ▶ If business travel begins at 8:00 AM on the first day of travel (M&IE rate \$51/day), and dinner was provided at no cost to the employee, the reimbursable rate would be calculated as follows:

- ▶ First calculate the eligible reimbursement rate based on the Quarter Time %. (M&IE \* Allowance Rate)
  - ▶  $\$51/\text{day} * 75\% = \$38.25$
- ▶ Then reduce the rate by the meals provided  $\{R * (1 - MP)\}$ 
  - ▶  $\$38.25 * (1 - .5) = \$19.13$

# SINGLE DAY TRAVEL

- ▶ With Departmental approval employees may be reimbursed one meal per day in the following circumstances when lodging expense is not incurred:
  - ▶ Employee is required to travel on official business and the workday is extended three hours or more beyond their regular schedule (generally deemed 8 a.m. – 5 p.m.) and business is conducted more than 30 miles from the employee's official station.
  - ▶ Employee is required to attend a conference or a meeting as an official guest or participant and a meal is served during the required attendance time.
  - ▶ Cannot claim reimbursement if a meal was provided at no cost to employee.
- ▶ Include meal requested and the employee's scheduled work hours for the day in the description field.

# UNDERSTANDING SUBSISTENCE RATES- LODGING

- ▶ Employees may be reimbursed for actual lodging expenses incurred, but the base lodging rate may not exceed the per diem amount for that location with the following exceptions:
  - ▶ KSU allows 150% rate reimbursement of actual lodging expense with Departmental approval.
  - ▶ Actual lodging expenses associated with a conference, seminar or meeting may be reimbursed with the approval of the Request for Actual Conference Lodging.
  - ▶ A cost comparison or other substantiation is provided showing that there were no other more economical options available.

# UNDERSTANDING SUBSISTENCE RATES- INTERNATIONAL LODGING

- ▶ Employees may be reimbursed for actual lodging expenses incurred for international lodging. Employees are encouraged to stay below the specified international lodging per diem rate, but may claim actual expenses for lodging rate that surpass the max.



# CHANGES TO EFORMS

- ▶ To accommodate the additional complexity involved with the new rate structure set by the State, we have created and enhanced a new travel voucher in Eforms for all travel January 1, 2016 and later.
- ▶ At this time the form can only accommodate single destination travel. We anticipate the multi-destination function will be available by February 1, 2016. Additional updates will be sent via listserv when the form is available.

# GENERAL SCREEN

**Header** **Vendor** **Agency** **Travel Detail** **Funding** **Flags** **Trustees** **Final Form**

**General** **Travel Period:** This is the dates of travel. What you enter here will be used in the rest of these screens to help you provide details about the trip.

**Event** Departure Time: 08:00  a.m.  p.m.

**Meals & IE** Return Time: 05:00  a.m.  p.m.

**Lodging** Out-of-State Travel Order No.:

**Summary**

Category	State	Location	From	To
Contiguous United States	Kansas	Manhattan	01/04/2016	01/08/2016

**Mileage**

**Other**

**Comments:**

- ▶ Location- The federal rates list both cities and counties. First try to find the city or town name. If that is not in the list, then search by the county name the city is located in.
- ▶ <http://www.epodunk.com/> can assist in locating county names.

# MEALS & IE SCREEN

Document Number:  
1515669

Finished

Travel Voucher

Fund Total:  
\$0.00

Totals

Mileage Total:  
\$0.00

Meals Total:  
\$256.16

Lodging Total:  
\$325.00

Other Total:  
\$0.00

Totals Don't  
Match

Travel Voucher  
instructions

[Header](#) [Vendor](#) [Agency](#) [Travel Detail](#) [Funding](#) [Flags](#) [Trustees](#) [Final Form](#)

General [Contiguous United States \(CONUS\)](#)  
[Outside Contiguous United States \(OCONUS\)](#)  
Event [International Locations](#)

Meals & IE Rates are updated on a semi-annual bases, each April 1 and October 1 by the State.  
Lodging Be aware that any interim updates for CONUS and OCONUS locations are not valid until reflected by the State.  
For international travel, only the April 1 and October 1 subsistence files should be used to locate the M&IE rates.

Summary

Mileage

Other

Date	Destination	M&IE	Lodging
1/4/2016	[Other], Alaska	74.25	150.00
1/5/2016	[Other], Alaska	84.15	175.00
1/6/2016	[Other], Alaska	48.26	0.00
1/7/2016	[Other], Alaska	0.00	0.00
1/8/2016	[Other], Alaska	49.50	0.00

\$99/day \* .75=\$74.25 (1st Q not on business)

\$99/day \* (1-.15)=\$84.15

\$99/day \* .75 \* (1-.35)=\$48.26

\$99/day \* 0=\$0

\$99/day \* .50=\$49.50 (1st Q personal, 4th Q not on business)

Previous

Continue

Max Reimbursable M&IE: \$99.00

Comments:

Took personal time from 5:00 pm on 1/6/16 until  
8:00 am on 1/8/16.

Warning: The lodging amount is higher than the maximum reimbursable rate. If the base room rate exceeds the maximum reimbursable rate, please submit the Request for Actual Conference Lodging Form with substantiation of cost. Dates affected: 1/5/2016  
Warning: Expenses being claimed more than 24 hours after end of event.  
Please review the expenses being claimed and add additional comments as needed.

OK

# LODGING SCREEN

[Header](#) [Vendor](#) [Agency](#) [Travel Detail](#) [Funding](#) [Flags](#) [Trustees](#) [Final Form](#)

[General](#)

[Event](#)

[Meals & IE](#)

**[Lodging](#)**

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Date	Destination	Lodging	Amount
1/4/2016	[Other], Alaska	Hotel Alaska	150.00
1/5/2016	[Other], Alaska	Hotel Alaska	175.00
1/6/2016	[Other], Alaska	Hotel Alaska	0.00
1/7/2016	[Other], Alaska	Hotel Alaska	0.00
1/8/2016	[Other], Alaska		

Max reimbursement base rate: \$165

**Comments:**

Took personal time from 5:00 pm on 1/6/16 until 8:00 am on 1/8/16.

- ▶ Enter the hotel name in the Lodging column.
- ▶ Enter the full lodging amount (including applicable taxes and fees) in the Amount column.
- ▶ The Max base reimbursement rate will show when you hover over amount column.
- ▶ Please note that the departure destination is based on the first day of lodging and the return destination is based on the last business/lodging location.

# MILEAGE RATES – EFFECTIVE 1/1/16

- ▶ On December 28, 2015 the State issued new mileage rates that are effective January 1, 2016 for all travel on or after January 1, 2016. The new mileage rates are as follows:
  - ▶ Privately Owned Motorcycles: \$0.51/mile
  - ▶ Privately Owned Automobiles: \$0.54/mile
  - ▶ Privately Owned Airplanes: \$1.17/mile
- ▶ The new rates are reflected in the new travel voucher in Eforms.

# GENERAL ACCOUNTING CONTACT INFO

- ▶ Memory Buffington, Assistant Director General Accounting
  - ▶ [mbuffing@ksu.edu](mailto:mbuffing@ksu.edu), 785.532.1845
- ▶ Katie Regier, Accounts Payable Supervisor
  - ▶ [klregier@ksu.edu](mailto:klregier@ksu.edu), 785-532.1839
- ▶ Maggie Quigley, Travel Auditor
  - ▶ [senderm@ksu.edu](mailto:senderm@ksu.edu), 785-532-7356
- ▶ Tracy McIntyre, Travel Auditor
  - ▶ [tracy25@ksu.edu](mailto:tracy25@ksu.edu), 785-532-4379
- ▶ TRAVEL WEBSITE: <http://www.k-state.edu/finsvcs/generalaccounting/travel.html>
- ▶ PPM 6410: <http://www.k-state.edu/finsvcs/generalaccounting/ppm.html>

QUESTIONS

