

MICHIGAN DEPARTMENT OF CORRECTIONS POLICY DIRECTIVE		EFFECTIVE DATE 06/28/2021	NUMBER 01.03.120
SUBJECT TRAVEL AND EMPLOYEE REIMBURSEMENT		SUPERSEDES PD 01.03.120 (08/03/2020)	
		AUTHORITY MCL 791.203	
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POLICY STATEMENT:

To establish guidelines for travel and employee expense reimbursement for Michigan Department of Corrections (MDOC) employees and contractors and to provide guidance in interpreting the Standardized Travel Regulations issued by the Department of Technology, Management and Budget (DTMB), the Civil Service Commission (CSC), and the State of Michigan Financial Management Guide (FMG). This policy also provides guidance on all non-travel employee expense reimbursements.

POLICY:

GENERAL INFORMATION

- A. Exclusively represented employees shall be governed by their collective bargaining agreements when in conflict with this policy.
- B. Any travel-related issues not addressed in this policy shall be handled on a case-by-case basis and may require the approval of the Budget Operations Administration (BOA) Deputy Director or designee before reimbursement is considered.
- C. All persons authorized to travel at the State's expense on official business are expected to incur expenses prudently in accordance with the DTMB Standard Travel Regulations. Managers, supervisors, and contract administrators have the responsibility for planning, authorizing, managing, and monitoring employees' travel to comply with this policy and applicable provisions of State travel regulations, policies, and procedures established by MDOC, DTMB, and FMG. Contract employees whose contract includes travel expenses shall not use the State's contracted travel agent to book travel accommodations as their travel costs must be included in the contract.
- D. For MDOC employees, the Official Workstation (OWS) is the area within a 50-mile radius of the employee's work address as designated by the Human Resources Management Network (HRMN) location code. Employees shall not be eligible for lodging and meals when traveling for official work or assignments within a 50-mile radius of employee's OWS, except as set forth in Paragraph JJ. Employees shall be eligible for mileage reimbursements for using a privately owned vehicle pursuant to Paragraphs AA - EE.
- E. Select cities are locations identified by the DTMB Vehicle and Travel Services (VTS) that qualify for higher reimbursement rates for lodging and meals. Reimbursement for select city rates is based on the mailing address where the field assignment is located. Select cities are listed on the DTMB travel internet page.

REIMBURSEMENT

- F. The reimbursement of expenses shall be made in accordance with this policy and with the Standardized Travel Regulations issued by DTMB and CSC. The rate schedule issued by DTMB lists the maximum amount that may be reimbursed, however, only actual expenses incurred may be claimed. Travel reimbursement requests shall show only actual expenses incurred (not to exceed the rate schedule).
- G. An employee is not eligible for reimbursement of meal or lodging costs that are:

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1. Purchased within the OWS.
2. Purchased within the employee's official city of residence.
3. Furnished without charge.
4. Purchased for guests, unless the expense was incurred when acting in a custodial capacity, which must be fully explained for reimbursement.

TAXES

- H. Federal income taxes on day trip meal reimbursement (non-overnight) and other taxable travel (non-overnight) shall be withheld and automatically deducted from travel reimbursement pursuant to IRS regulations. The reimbursement and associated taxes withheld shall be reported on the employee's W-2.
- I. Reimbursement requests submitted after 60 days of when the expenses were incurred no longer qualify to be nontaxable under an IRS accountable plan. This shall result in 100 percent of the reimbursement request being subject to tax withholding.

TRAVEL ADVANCES

- J. Travel advance requests must be submitted in SIGMA Employee Self-Service using a Travel Reimbursement Authorization (TRAUTH) document and approved by the employee's supervisor at least 30 calendar days before the trip begins to ensure receipt of the advance before the trip begins. No temporary travel advances shall be issued after the trip begins.
- K. Travel advances shall only be issued for lodging expenses and shall be for a minimum of \$200.00. An explanation for the advance request is required and shall include the estimated dollar amount of the entire trip on the travel authorization. Travel advances shall not be requested for airfare, conference registration fees, tips, or expenses paid by another entity. Airfare shall be charged through the State's contracted travel agency. Registration fees shall be paid in advance on the State procurement card.
- L. Travel advances shall only be issued if the employee's reimbursement requests are current. Only one travel advance can be active at a time for an employee. Travel advance processing shall occur through SIGMA Employee Self-Service and shall be included on the employee payroll checks and/or electronic funds transfer (EFT) deposit. Submission of a travel advance request does not guarantee the advance request will be approved and issued.
- M. If travel expenses are less than the travel advance, the balance shall be recovered via a payroll adjustment in the next paycheck. If a manual warrant or travel advance was issued for any canceled or postponed trip, the MDOC Accounting Administrator or designee shall be notified immediately, and the travel advance reversal shall be completed to recover the travel advance in the employee's next paycheck.
- N. Travel advances shall be closed out within 30 calendar days of the actual travel. Failure to submit the trip expense timely shall result in the full amount of the travel advance being deducted from the employee's next paycheck.

OUT OF STATE TRAVEL

- O. When traveling out of state on official business, a Request for Out of State Travel Authorization (CFJ-549) shall be approved before making any travel arrangements. All out of state travel, regardless of the funding source, requires approval up the chain of command through the Director on the CFJ-549. The CFJ-549 shall include all travel arrangements and trip expense estimates (lodging, airfare, rental car, meals, and incidentals).

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- P. An approved CFJ-549 shall be provided to the Central Office Accounting Division within 15 business days of the scheduled trip. If the out of state trip is canceled or rescheduled, the Central Office Accounting Division should be notified within 48-hours of the cancelation so the CFJ-549 can be canceled.
- Q. Employees shall use shuttle transportation, when available, to travel between airport, hotel, and meeting locations. Taxicabs, Rideshare, or services such as Uber or Lyft may be used only if a shuttle is not available.

ACADEMY EMPLOYEES

- R. Persons in the new employee academies shall not be eligible for lodging if they live within the 50-mile radius of the academy.
- S. Employees staying at the academy shall be allowed one trip per weekend from the academy to their home. Employees that live more than 180 miles from the academy shall be eligible to lodge over the weekend. If they choose to stay at the academy, the cost of the weekend lodging and meals shall be covered by the academy.

VEHICLE TRAVEL

State Provided Vehicles

- T. A fleet of State-owned vehicles shall be available for official use. Vehicles shall be available at facilities and offices throughout the state along with motor pools in select cities. Drivers must sign a DTMB-0063 driver agreement before being allowed to drive a State-owned vehicle. Employees shall possess a valid driver's license while operating a State-owned or personal vehicle for official business. The license shall be from the State of Michigan or the state or province in which the employee resides.
- U. Employees shall possess a valid Commercial Driver License (CDL) with appropriate endorsements if operating:
1. A vehicle with a gross vehicle weight rating (GVWR) of 26,001 pounds or more.
 2. A vehicle towing another vehicle with a GVWR over 10,000 pounds.
 3. A vehicle designed to carry 16 or more people (including the driver).
 4. A vehicle carrying hazardous material in amounts requiring placarding.
- V. Employees who possess a CDL shall be subject to substance abuse testing in accordance with federal law, Civil Service Commission rules, and applicable collective bargaining unit agreements.
- W. Prisoners are prohibited from driving State-owned vehicles requiring a valid license plate. Prisoners are allowed to operate farm tractors and equipment, bulldozers, construction equipment, and other equipment as required for their work assignments.
- X. Staff may utilize a State-owned vehicle when one is available. State-owned vehicles may be taken home if the temporary travel will be to a location that is out of the way of the OWS, and approval is obtained from the Warden, Field Operations Administration (FOA) Regional Manager, FOA Assistant Deputy Director, Correctional Facilities Administration (CFA) Assistant Deputy Director, or office or bureau head. Gas and other expenses shall be paid for on the vehicle credit card. If staff choose to drive a personal vehicle when a State-owned vehicle is available, they shall be reimbursed at the standard mileage rate and do not qualify for the premium rate. Absconder Recovery Unit (ARU) staff may take a State-owned vehicle home for use on official business with approval of the FOA Deputy Director.

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- Y. Each Warden, FOA Assistant Deputy Director, CFA Assistant Deputy Director, office or bureau head, or designee shall designate a local vehicle coordinator to be responsible for maintenance and control of all State-owned vehicles in their vehicle pool. The local vehicle coordinator shall maintain a daily travel log developed by DTMB to record trip purpose, destination, miles traveled, and the driver's signature. Drivers are responsible for completing a trip log ensuring the trip date and miles are entered on separate lines of the travel log.
- Z. Damage to State vehicles shall be immediately reported by the driver to the Maintenance Assistance Program (MAP) through Wheels. The contact information for the MAP program is in all State vehicles. The employee's supervisor and local vehicle coordinator shall also be notified of vehicle damage.

Privately Owned Vehicles

- AA. Reimbursable business mileage consists of business miles incurred with a personal vehicle while in travel status. Reimbursement starts either at the employees' home or OWS whichever is less. Mileage between an employee's home and their OWS, to their home for lunch, to a commuter lot, or to their OWS during non-business hours is personal commuting mileage and is not reimbursable. Carpooling is encouraged as a method of efficient travel.
- BB. Point to Point Reimbursement is required in the Standardized Travel Regulations. The point-to-point mileage claimed shall agree with the current State of Michigan highway map, or the common miles for the point to point cities as listed in SIGMA. Departure cities, destination cities, and return cities shall be included on the reimbursement request.
- CC. Drivers are eligible to receive premium mileage reimbursement when using a privately-owned vehicle for official State business if a State vehicle is not available or the driver has not refused the use of an available State vehicle with written documentation that a State vehicle was not available. In order to receive premium mileage reimbursement, an employee shall have attempted to reserve a State vehicle 48 hours in advance unless the meeting/event they are attending was scheduled less than 48 hours before the start time. Contractors cannot access a State-owned vehicle, therefore they if eligible for mileage reimbursement, they may receive premium mileage reimbursement as long as this is within the terms in their contract.
- DD. Vicinity mileage is mileage necessary for the conduct of official business in excess of the point-to-point mileage and shall be shown on the reimbursement request separately from point-to-point mileage along with an explanation on the reimbursement request.
- EE. Personal vehicles used by staff for conducting State business must be insured as required by State law. The State of Michigan is not responsible for injury or loss resulting from the use of personal vehicles. Personal vehicles used by staff for conducting State business shall not display commercial advertisements or endorsements. Charges for gasoline, lubrication, repairs, antifreeze, towage, and other expenditures shall not be allowed as reimbursable items when privately owned vehicles are used. Use of a personal motorcycle for State business is not allowed by the MDOC.
- FF. All car rentals for State business shall be approved by the BOA Deputy Director before a reservation is made.

MEAL REIMBURSEMENT

- GG. Meal reimbursement requires an itemized, legible, and unaltered receipt that includes the date, time, business name, and city of purchase and is limited to the maximum amount listed in the schedule of travel rates. If a meal receipt does not have the required information, an employee shall write in the required information. Receipts shall not be either a calculator tape or hand-written without the adequate justification on the travel reimbursement request as to why a proper receipt was not provided to the employee. If indicated in the employee's union contract that meal receipts are not required, they shall be retained by the employee and shall be submitted to MDOC Accounting Division upon request for audit purposes. Failure to provide the requested meal receipt(s) shall result in the meal reimbursement being disallowed.

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- HH. Meals shall be purchased on the day and times of travel for which the employee seeks reimbursement and shall be only for items consumed by the employee during the travel period. Reimbursement for alcoholic beverages is not permitted.
- II. When qualifying for individual meals, an employee shall not have multiple receipts unless purchased within one hour of each other. When qualifying for all-day meals based on travel times, an employee may choose how to distribute the cost throughout the day and claim up to the full amount by selecting all-day meals.
- JJ. Meals within an employee's home city or their OWS are not reimbursable unless they are authorized for conferences, training, prisoner transports, or official meetings. Employees attending pre-arranged meetings or conferences at their home or OWS may be reimbursed for their meals if the meeting or conference requires all attendees to eat together at the meeting site. The meeting must last a minimum of 5 hours and occur during the mealtimes as listed in the State standardized travel regulations. An itemized receipt and a copy of the agenda are required for reimbursement. No meal reimbursement shall be issued for attendance at impromptu or informal meetings or conferences.
- KK. Meal tips are allowed only with sit-down meals and must be indicated on the receipt. Tips on take-out or at fast food restaurants are not reimbursable. Meal tips (maximum 20 percent) are included with the meal price in the maximum reimbursable amount.
- LL. Group meal rates are reimbursable only under the following conditions:
1. Attendees are required to eat together as a condition of conference, meeting, or training attendance.
 2. An itemized receipt must be provided along with a list of all employees that received the meal.
 3. An approved agenda must be attached to the travel reimbursement request.
 4. The meeting lasts a minimum of five hours and occurs during the mealtimes as listed in the State standardized travel regulations.
 5. Prior approval by the appropriate Deputy Director.

When the meal is not provided by a catering service, employees are required to claim reimbursement for their own meal and shall provide an itemized receipt. An employee shall not claim meals for other employees.

LODGING

- MM. When possible, hotel reservations at or below the approved rate shall be made by the traveler as the State of Michigan incurs a charge from the State's contract travel agency for each reservation made. A listing of the DTMB preferred hotels with the negotiated rate and blackout date can be found at the DTMB web site and travel information website.
- NN. In order to be reimbursed at the actual cost, hotel reservations over the approved rate shall be made through the State's contracted travel agency or at www.SOMtravel.com. The State's contracted travel agency confirmation email shall be included on the travel reimbursement request. Reimbursement is the actual cost with a receipt and a copy of the confirmation attached to the reimbursement request.
- OO. Lodging receipts shall show the hotel name and address, room rate, and the tax amount separate. In the instance where the lodging receipt does not clearly show the total amount charged to the employee, accounting shall require a copy of the employee's credit card statement for additional documentation. Lodging receipts must also show the hotel was paid in full with a zero balance remaining.

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- PP. Lodging at a hotel hosting a conference may be reimbursable above the State hotel rate when the reimbursement includes conference program literature and a receipt.
- QQ. Taxes are reimbursable in addition to lodging expense and shall be included in the lodging total with an actual receipt. An employee may submit a tax exemption certificate to the hotel when reserving or checking out. The certificate is available on the DTMB travel internet site.
- RR. Requests for reservations shall not be made for specific hotels based solely on the preference of the employee. Any additional costs over the State rate incurred due to these requests are the responsibility of the employee and shall not be reimbursed.
- SS. When a work assignment will require more than one consecutive day's effort, an overnight stay is recommended for destinations 50 or more miles away from the employee's home and/or workstation, whichever is less. The decision to commute or stay overnight under these circumstances shall be left to the traveling employee. Overnight lodging at destinations under 50 miles away from either the employee's home and/or workstation, whichever is less, require pre-approval from BOA Deputy Director.
- TT. In the event where a hotel stay is extended for personal use (weekend or beginning of annual leave), the lodging and meal reimbursement period shall end at the close of business/end of conference on the last day of business travel.
- UU. An internet access fee shall be reimbursed during the hotel stay when the fee is listed on the hotel receipt. Expenses for room service, movies, etc. are not reimbursable. Reimbursement shall not be made for lodging at the homes or other personal properties owned by relatives and/or friends.
- VV. Hotel direct billing is only allowed on a case-by-case basis and shall be pre-approved by the BOA Deputy Director. When hotel direct billing is not pre-approved, employees shall pay for their own lodging and submit a reimbursement request in SIGMA Employee Self-Service.

AIR TRANSPORTATION

- WW. Air travel is limited to coach fares. First-class, business-class, or premium economy airfare shall be allowable only under extreme emergencies and shall be documented in writing and approved by the BOA Deputy Director prior to making the travel reservations.
- XX. All air reservations shall be made through the State's contracted travel agency or at www.SOMtravel.com and charged to MDOC's corporate account. Information on the State's contracted travel agency is found at the DTMB Travel internet page.
- YY. Baggage fees are reimbursable for one piece of luggage. Overweight and additional fees shall be reviewed on a case by case basis.
- ZZ. Additional costs incurred due to changing travel arrangements for the benefit of the employee or for employee preference are at the employee's expense.

PARKING AND PUBLIC TRANSPORTATION

- AAA. Parking receipts are required for all claims except metered parking. Metered parking shall be clearly identified as such on the travel reimbursement request.
- BBB. Public transportation receipts shall be required for all taxicab, Rideshare, Uber, Lyft and shuttle claims. The actual cost of the transportation and tips (maximum 20 percent) shall be reimbursed provided the amounts are included on the receipt.

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TRAVEL DOCUMENTATION

- CCC. Employees shall retain all receipts and documentation in accordance with the SOM Record Retention Schedule for financial documents. All receipts except for meals are required to be entered in SIGMA when the travel reimbursement is entered.
- DDD. Reimbursement requests shall document the purpose of the trip in SIGMA when submitting a travel reimbursement request.
- EEE. All receipts and other (non-meal receipt) documentation required for reimbursements shall be attached in SIGMA Employee Self-Service. If scanning and attaching a receipt is not available, the employee shall forward the receipt via email or fax it to the MDOC Accounting Division for the audit process. Due to the type of paper used for many receipts that results in the ink fading over time, employees are advised to make copies of all receipts. The MDOC Accounting Division is not responsible for lost or illegible receipts.
- FFF. Claims without required non-meal receipts shall not be paid. Credit card receipts alone are not acceptable as they are not itemized.

TRAVEL REIMBURSEMENT REQUESTS

- GGG. All employee reimbursements and travel advance requests shall be processed through SIGMA Employee Self-Service and shall be approved by the employee's supervisor and the MDOC Accounting Division or Regional Business Office. Additional levels of approval may be established as directed by the Deputy Director.
- HHH. Reimbursements crossing two fiscal years shall be split and two reimbursement requests submitted.
- III. Reimbursements shall be included in the employee payroll checks and/or EFT deposit. Reimbursements shall be approved through the system approval path process by Friday night of a payroll week to appear with the next payroll payment.
- JJJ. Consecutive days travel shall be inputted as one expense into SIGMA Employee Self-Service unless the trip expands between two fiscal years. Expenses for trips beginning in September and ending in October shall be separated and submitted on separate reimbursement requests as directed during year-end closing.
- KKK. Travel status that is greater than a 24-hour period requires the Overnight box to be checked when submitting a travel reimbursement in SIGMA Employee Self Service.
- LLL. To ensure available grant funding and to aid with budget processes, reimbursement requests shall be submitted and approved within 60 days from when the expenses were incurred to ensure proper available funding.
- MMM. All personal expenditures incurred as a result of being on personal leave in conjunction with a State business trip shall not be reimbursed.
- NNN. An employee shall not be reimbursed for another employee's expenses. Each employee shall submit their own travel reimbursement request.
- OOO. Third-party reimbursements are allowed in certain instances when the State employee travel will be reimbursed by a non-State of Michigan entity. When this occurs, the employee shall ensure the third-party reimbursement, payable to the State of Michigan, is received and forwarded to the MDOC Accounting Division within 60 calendar days.

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AUDIT PROCESS

PPP. The MDOC Accounting Division shall perform pre and post travel audits. Documents audited include but are not limited to:

1. Receipts for lodging, meals, transportation, and parking.
2. Conference/meeting agendas.
3. Request and denial of State vehicle availability.

Requests for these documents shall be provided to the MDOC Accounting Division within 30 calendar days. Failure to provide these documents shall result in the reimbursement being disallowed or reimbursement back to the State if previously paid.

QQQ. All receipts received by the MDOC Accounting Division, if not attached in SIGMA Employee Self-Service, shall be scanned for record retention.

Pre-Audit

RRR. All MDOC travel reimbursements shall be pre-audited before the reimbursement is processed to ensure compliance with this policy and:

1. Standardized travel regulations.
2. The State of Michigan Administrative Guide to State Government.
3. The State of Michigan Financial Management Guide and IRS rules as applicable.

SSS. Exceptions to this policy that are identified during the pre-audit shall be evaluated on an individual basis and shall require the MDOC Accounting Division Administrator's approval before reimbursement is considered.

Post Audit

TTT. A post audit shall be completed for all of the following travel reimbursements:

1. All reimbursement requests with out of State travel.
2. All grant funded reimbursement requests.
3. All reimbursement requests over \$750.00.
4. All reimbursement requests for non-travel expenses.
5. All lodging over the State rate (taxes included).

UUU. A minimum of 25 percent of reimbursement requests, including meals, that are not required to be audited as set forth in Paragraph SSS shall receive random post audits.

VVV. Deficiencies identified during the post audit process due to the employee's non-compliance with this policy, shall result in the payment being deducted from the employee's future paycheck, and may result in additional post audits for the employee's expense reimbursements.

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OVERPAYMENTS

WWW. The MDOC shall require repayment of any excess reimbursement of travel expenses. The overpayment shall be recovered through the payroll process in the next payroll cycle. Recoupment shall be done within 60 days of identification of the overpayment.

PROCEDURES

XXX. If necessary, to implement the requirements set forth in this policy directive, administrators shall ensure that operating procedures are developed or updated.

AUDIT ELEMENTS

YYY. This policy does not have audit elements. The requirements for this policy shall be audited as set forth in Paragraphs PPP - VVV.

APPROVED: HEW 05/18/2021