

# MOM- POL Employee Travel, Lodging Rates, Mileage Reimbursement, & Meal Allowances

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## Category:

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## Employee Travel

### I. Purpose

This policy provides the requirements for how agencies should conduct travel for official state business.

### II. Scope

This policy applies to all state agencies and institutions, excluding community colleges.

### III. Policy Overview

Traveling is a necessary operation of state government . Travel expense can be a major budget consideration, so employees must be aware of the need for efficiency and economy in travel . The responsibility for adhering to the laws and policies and providing effective managerial control rests with the employee and their agency . Any collective bargaining agreement providing a greater meal or travel reimbursement supersedes this policy.

#### A. Applicable State Statutes

Unless covered by a separate section of statute, all elected officials, appointed members of boards, commissions, or councils, department directors, and all other state employees are subject to the regulations contained in Title 2, Chapter 18, Part 5 , Montana Code Annotated (MCA) . Legislators are subject to certain limitations while the legislature is in session, as noted in 5-2-301 , MCA . Employees should refer to the State Employee Travel webpage for additional travel policies and information .

#### B. Travel Requirements

When considering state travel, an employee and their agency must follow these requirements:

- 1.** The department head or designated approving authority must pre-approve all out-of-state and foreign travel . The Request and Justification for Out-of-State Travel and Foreign Travel forms are available on the State Employee Travel webpage.

2. Transportation costs and time away from the office should be kept to a minimum . When commercial travel is used, employees should use the least expensive seating available.
3. No state agency shall pay an employee's travel cost to attend a function that does not benefit the state . However, to promote employee initiative and efforts at self-improvement, the agency head has discretionary authority to give time off with pay to participate in a desired function.
4. Although each state agency should assist and support other states and organizations, Montana cannot do so at its own expense . If another state or organization is willing to pay travel costs to have an employee lecture or provide other assistance, the agency head has discretionary authority to pay the employee to participate.

#### **IV. Travel Expenses**

Reimbursable travel expenses are the business-related expenses incurred when traveling on official state business . Nonbusiness-related expenses incurred when taking vacation or compensatory time off while in a travel status are not reimbursable . Typically, reimbursable business travel expenses include transportation costs (airfare and/or ground-transporting vehicles), meals, and lodging .

Miscellaneous business expenses associated with official state travel may also be reimbursable, including necessary supplies; airline baggage and seat fees not due to upgrades; airline insurance that solely protects against trip cancellation or re-booking fees; taxi fares including a reasonable tip; and parking fees excluding parking tickets issued for non-compliance with city/county/airport authority rules, unless the agency director, or designated approving authority, authorizes reimbursement of parking tickets issued as a result of extenuating circumstances that the employee could not avoid .

When renting a vehicle, employees must not purchase additional liability, comprehensive, or collision insurance offered by the rental agency . Insurance is provided for the employee either through the DOA-Risk Management and Tort Defense, or by the state procurement card company when the rental vehicle is paid for with the state-issued purchasing card .

Each reimbursable expense of \$25 or more must be supported by a receipt; however, an agency director may require receipts for all expenses, including those less than \$25, be provided as proof for reimbursable travel expenses . Meal tips and meal taxes are not considered miscellaneous expenses.

All travel reimbursements, excluding the Montana University System (MUS), are to be issued through the state payroll system . Employee meals are typically reimbursed at a fixed per diem rate established by statute and not at actual cost . Employees of state agencies that allow meals to be purchased with a state-issued purchasing card shall track these purchases, which must be supported by itemized receipts. The state must be reimbursed for meal charges in excess of the allowed per diem.

##### **A. Procurement Card Program**

Agencies that issue procurement cards to employees should require its use for air travel, lodging, and vehicle rental unless it can be documented that another payment method is in the state's best interest . Agencies must follow the guidelines established for general procurement card use . See the State Procurement Card Program webpage and Procurement Card Program policy .

##### **B. Travel Advances**

Travel advances should be short-term (no more than 30 days) and processed through the payroll system . Travel advances should not exceed \$200 or be used for lodging or car rentals.

##### **C. Travel Expense Voucher**

Employees must use a travel expense voucher or similar travel claim form authorized by their agency to itemize their allowable expenses . The travel expense voucher is available electronically at the Employee Travel webpage.

### **1. Frequency of Filing**

An employee should file travel expense vouchers no more than twice monthly, and at least within 30 days of completion of their travel . Unusual circumstances may justify an exception . Employees who do not file for reimbursement of travel costs within three months after incurring the expense waive their right to reimbursement.

### **2. Approval Required**

The immediate supervisor or the supervisor having the most direct knowledge of the travel-related activities must approve the employee's travel expense voucher.

### **D. Third Party Reimbursement and/or Payment**

State agencies are encouraged to assist and support other states and organizations and to promote employee initiative and efforts at self-improvement . These functions must directly benefit the state for an agency to pay the travel costs associated with efforts in these areas . Although the agency may not be able to pay for the travel costs associated with a function, the agency director, or other approving authority, has the discretionary authority to compensate an employee for their regular work time to attend a function, or give time-off with pay for an employee to participate in a function.

In these situations, an outside party may reimburse an employee or their agency for travel incurred on behalf of the third party . Examples of these types of situations include the following:

- 1.** An employee is invited to make a presentation at a training conference or national meeting of an organization and the organization pays all travel costs associated with the conference; or
- 2.** An employee is an officer or board member of a national organization that engages in activities related to the employee's job, and the employee must attend several meetings each year for which the organization reimburses the travel costs incurred; or
- 3.** An employee manages a federal program that sponsors conferences at which representation from each state is recommended, and the federal government or a sponsoring agency is willing to arrange for and provide an airline ticket, lodging, and all other costs for the employee to attend this conference.

In each of these situations, the outside third party may reimburse the agency, or the employee as an individual, for the travel costs incurred; or the third party may make all travel arrangements and provide for all lodging and meals so that neither the employee nor the agency incurs any costs directly . When travel by an employee is paid by a third party, but the employee/agency initially charged the travel arrangements to a state-issued procurement card, subsequent reimbursements received from the third party must go to the agency, including any amounts reimbursed that exceed the state per diem rates .

Since the employee is participating in this activity primarily for the benefit of the third party, and only secondarily because they are a state employee, they are allowed to follow the travel policies of the third party, instead of state policies, as long as their agency is not required to incur any expenditures associated with this travel . In other words:

- 1.** the employee as an individual incurs the expenditures and is reimbursed directly by the third party;
- 2.** the third party makes all arrangements and provides for all travel; or
- 3.** all expenditures initially charged to the agency are completely reimbursed.

If the agency is only partially reimbursed by the third party for the employee's travel costs, state statutes and travel policies relating to the specific costs not reimbursed, or for all costs incurred if only a certain percentage is reimbursed, must be adhered to . For example:

1. if the third party pays only for the airline ticket and lodging costs, the third party's policy on transportation and lodging may be followed, but Montana policy must be adhered to regarding meal reimbursement; or
2. if the third party agrees to pay 50% of all travel costs associated with this trip, Montana statutes and policies must be adhered to for all costs.

## **V. Travel Time and Status**

### **A. Travel Time Allowed**

An employee may claim travel expenses for a reasonable time before and after the business activities necessitating travel . As circumstances vary, managers must decide what is reasonable on a case-by-case basis . In an effort to keep travel costs to a minimum, an employee should attempt to travel within their normal travel shift whenever possible . Travel shift is defined in 2-18-502(3), MCA, as beginning one hour before and ending one hour after an employee's regular scheduled work shift.

### **B. Departure and Return Time**

Departure and return times indicate when an employee leaves from and returns to either headquarters or their home, depending on which site is more convenient . If no business-related activities are required at headquarters immediately before or after an employee's travel, it is often more convenient and cost-effective for the employee's home to be considered the departure and return site .

### **C. Travel Status**

An employee is in travel status from the beginning of their departure time for an official business trip through their return time to either headquarters or home . If an employee is required to stay overnight at a work site other than their primary headquarters, they are in a travel status.

An employee is not in travel status for their daily commute from home to headquarters, or for daily travel between headquarters or home to a specific work site within 15 miles of the employee's home or headquarters . The employee should consider the work site to be their alternate headquarters for that day . This provision does not apply if a bargaining agreement provides different allowances.

An employee is eligible to be compensated for actual time spent traveling from the departure site to the destination site, as well as for the return travel time from destination site to headquarters or home . Compensable travel time does not necessarily correspond with an employee's time in travel status . An employee is compensated for time engaged in work and business-related travel activities while they are in travel status, for at least the daily minimum number of hours in their regular daily schedule, unless the employee and the agency director, or other approving authority, have agreed otherwise prior to initiation of travel . Vacation, exempt or non-exempt compensation time off, or sick leave may provide compensated time to meet an employee's daily minimum of regularly scheduled hours while in official business travel status.

## **VI. Mode of Transportation**

An employee shall utilize the most efficient and economical mode of transportation for official state business . Whenever possible, consideration should be given the possibility of coordinating multiple state employees' business travel arrangements, so costs may be pooled and provide the state with cost savings . For example, car-pooling with multiple employees in a single vehicle

may provide statewide cost-savings above what it will cost for each individual to purchase an airline ticket, even if the time needed to drive is greater than the flight time . Agencies are encouraged to work together in efforts to keep statewide costs down .

## **A. Commercial Airline Travel**

Employees using commercial airline travel should choose seat assignments in the lowest cost sections available on the aircraft . Baggage should be maintained at the minimum necessary for the purpose of the employee's travel . Miscellaneous aircraft charges, such as in-flight internet access, must be related to official state travel to be eligible for reimbursement .

### **1. Ticket Purchase**

Agencies and employees are required to use a state purchasing card to purchase all airline tickets for employee travel unless it can be documented that another payment method is in the state's best interest . This applies to ticket purchases made through a travel agent, purchased directly from an airline, or purchased from an online travel source . Agencies and employees are strictly forbidden to use a state purchasing card to purchase an airline ticket for an individual who is not traveling on official state business . If an employee traveling on official state business is being accompanied by a traveler not on official state business, and it is necessary that they travel at the same time and on the same flight, it may be necessary that both tickets are purchased at the same time . With approval from the agency director, or other approving authority, this scenario could constitute a situation when it is in the state's best interest to use a payment method other than a state purchasing card.

### **2. Frequent Traveler Promotions**

Employees may join frequent flyer programs and any other frequent travel programs offered by airlines, hotels, car rental agencies, or other travel vendors . Participation in frequent flyer programs must not influence an employee's flight selection that would result in failing to utilize the most economically available option.

### **3. Airline "Bumping"**

**a. Voluntary Bumping** – If a commercial airline offers its passengers a free or discounted airline ticket or other reward for voluntarily bumping their flight to a later time, an employee may take advantage of the offer and keep the reward for their future use . The employee must receive prior approval from their supervisor to use leave for the additional travel time resulting from the voluntary bump, and approval that state business for which the employee is traveling will not be disrupted . The employee is not eligible for additional meal or costs or lodging outside the originally planned trip . Time the employee spends on work-related activities during the layover is compensated as work hours.

**b. Involuntary Bumping** – If an employee is involuntarily bumped from a flight, they may be entitled to lodging and meal reimbursement, as well as compensation for any extra travel time . When on a layover caused by involuntary bumping, the employee is considered "on duty" during their regular work shift . If the employee is entitled to receive additional meal allowances or lodging reimbursement as a result of being involuntarily bumped, and the airline does not provide no-cost lodging and/or meals to the employee, then the employee is entitled to reimbursement of these travel expenses from the state . If the airline issues meal and/or lodging vouchers, but the value of the vouchers is not adequate to cover travel per diem or actual lodging costs which the state would typically pay, the employee is eligible for reimbursement for the difference .

**c. Involuntary Bumping with a Free Ticket or Cash** – If an employee is involuntarily bumped from their flight and the airline offers a free airline ticket or cash for this inconvenience, the employee may choose to either:

- i. Treat this event as if they were voluntarily bumped, keep the cash or airline ticket, and not claim any state reimbursement for meals, lodging, or paid time resulting from the additional travel time caused by the involuntary bump; or
- ii. Remit any cash compensation from the airline to the state; or use the ticket for future state travel, and claim state reimbursements for meals and/or lodging that result from the additional travel time caused by the involuntary bump . The employee will be considered on duty during the layover consistent with their normal work shift.

## **B. Travel by State Vehicle**

The State Motor Pool , operated by the Department of Transportation , has a variety of vehicles available in Helena . The employee must use motor pool vehicles for business travel whenever possible . Direct questions regarding procedures to the motor pool office at 444-2705 .

State Vehicle Use Rules govern the use of state-owned or leased vehicles from the motor pool . The motor pool bills the agencies periodically for the vehicles used . Agencies that have their own state vehicles should establish rules regarding the use of their vehicles.

If motor pool vehicles are not available, the employee has the option to use their personal vehicle or vehicles from a private rental agency contract . Employees who wish to use their personal vehicle for official business travel should be familiar with the requirements in the Mileage Reimbursement Rates policy available on the Employee Travel webpage.

## **C. Private Rental Agency Vehicles Contract**

The Motor Pool has contracts to supply the "overflow" vehicle needs of state employees statewide . Although the cost of obtaining a vehicle through a private vendor exceeds the motor pool cost, this cost must be weighed against the cost of using a private vehicle, especially at the "high" rate, or scheduling the trip at a later date when a vehicle is available at the motor pool .

Direct any questions concerning this contract to the motor pool at 444-2705.

## **D. Special In-Lieu Allowances**

An employee may wish to use transportation other than the most economical and efficient mode of transport for official state travel . If the alternate transportation mode requires time exceeding a more efficient mode of transportation, this additional travel time must be considered personal time for which an employee must use vacation or compensatory time off.

For example, an employee chooses to drive their personal vehicle to an out-of-state conference, when flying would be more economical and efficient . Prior to travelling, the employee shall provide documentation of the projected costs of driving versus flying . Travel costs would include the transportation (vehicle vs airplane), reimbursable meals and lodging, and compensation for travel time . With approval from the agency director, or other approving authority, the agency may choose to cover up to the cost of the less expensive mode of travel . Applicable travel claims must be marked as an In-Lieu Allowance and details fully explained.

## **Lodging Rates**

### **I. Purpose**

This policy establishes acceptable lodging rates for state employees traveling on official business.

### **II. Scope**

This policy applies to all state agencies and institutions, excluding community colleges . For additional travel information, see the Employee Travel webpage . A link to the Employee Travel webpage is located on the State of Montana MINE site under the Services dropdown menu.

### **III. Policy Overview**

Lodging expenses should be kept as low as possible, while also being practical, and the agency/employee must attempt to receive the lowest available lodging rate at commercial lodging facilities . The employee should request the lodging facility's best rate . In Montana, the best lodging rate offered may be the state rate, and for out-of-state lodging, the best rate may be a government rate . However, employees must be cautious when they accept the state or government rate, as the lodging facility may have a standard customer rate, or other discounted rate (such as AAA, AARP, or Sam's Club) that is less than the state or government rate.

Upon check-in, an employee must be prepared to show a picture identification that identifies them as a Montana state employee . The employee is not required to show their state identification if the facility does not ask for it . If a lodging facility will not offer rates at or below the state rate (or government rate for out-of-state lodging facilities), an employee cannot demand this rate . The recourse is to search for an alternative lodging facility.

If an employee is traveling from in-state to out-of-state, and vice versa, the geographical location of the lodging facility determines the applicable reimbursement; that is, if the employee stays in-state, in-state rates apply, and if they stay out-of-state, out-of-state rates apply .

The employee shall receive reimbursement for their actual out-of-pocket lodging expenses, including taxes on allowable costs, up to the maximum amounts set by

2-18-501 , MCA . The Department of Administration (DOA) is authorized by 2-18-501(3), MCA, to designate the locations and circumstances under which the actual cost of lodging may be claimed when the actual cost exceeds the maximum lodging reimbursement rates.

To claim lodging reimbursement, the original receipt from the lodging facility must be attached to the agency's travel claim form or the travel expense voucher available on the Employee Travel webpage . Other receipts, such as credit card receipts, are not acceptable . (See Section V for additional information regarding what constitutes an appropriate receipt in a remote, or under-developed foreign location.)

Any employee traveling overnight to conduct official state business, who is accompanied by a person that is not conducting official state business (e.g., their spouse or family), shall only claim lodging reimbursement for the employee . The facility's rate for a single occupant must be noted and marked as such on the receipt.

### **IV. Lodging Within the Continental United States**

For travel within the continental United States, lodging per diem rates are based on federal per diem rates established by the General Services Administration (GSA) . Rates go into effect each October 1st .

#### **A. In-State Lodging**

The maximum in-state lodging rate is set by statute at \$35 per night; however, lodging rates in Montana may be reimbursed at actual cost, not to exceed the federal rates . The following tables show lodging rates for Montana counties as listed on the federal GSA website . The standard federal rate is the lodging rate, exclusive of taxes, that applies to all counties not specifically listed in the tables . All locations within a high-cost county receive the higher per diem rate .

However, agency directors have the discretion to maintain travel expenses within the agency's appropriation level by limiting the high-cost reimbursement rates to only those primary destinations that are included as high-cost locations.

**Table 1 . Rates for October 1, 201 9 – September 30, 2020**

<b>Primary Destination</b>	<b>County</b>	<b>Maximum Lodging Rate</b>
Standard Rate	All other counties not listed	\$ 9 6
Big Sky / W est Yellowstone / Bozeman - High Cost	Gallatin /Park	Oct. 1 – May 30 = \$113 June 1 – Sept. 30 = \$225
Helena – High-Cost	Lewis and Clark	\$10 3
Missoula	Missoula	\$102 July 1 – Aug. 31 = \$ 141
Kalispell/Whitefish	Flathead	\$96 July 1 – Aug. 31 = \$164

**B. Out-of-State Lodging**

Section 2-18-501(2), MCA, provides that lodging outside the state, but within the continental U.S., must be reimbursed at actual cost not to exceed the prescribed maximum standard federal rate per day for the location involved plus taxes on the allowable cost . The federal per diem rates can be accessed on the GSA website . If the destination city is not listed but the county is, the lodging rate listed applies to the entire county .

**C. Exceptions When Actual Cost Exceeds the Federal Rate**

The agency director, or designated approving authority, may provide prior approval of lodging reimbursement at actual cost under the following circumstances when actual cost exceeds the federal rates:

1. Lodging at or below federal rates is temporarily unavailable due to special functions such as fairs, sporting events, conventions, or seasonal demand;
2. There is a shortage of available lodging facilities that agree to accept federal rates at the destination site;
3. Federal rates, or rates significantly lower than a conference hotel rate, are not available at another lodging facility within a reasonable distance from the site where business activities are to occur . (Consider the cost of ground transportation and the employee's safety or convenience walking to alternative lodging facilities.);
4. It is necessary for purposes of accessibility and/or security for the employee to stay at the hotel or near the site where the conference or meeting the employee is attending is being held;
5. Emergency travel arrangements prevent finding accommodations at or below federal per diem rates;



6. Remote locations with limited accommodations within a 15-mile radius prevent finding accommodations at or below federal per diem rates; or

7. An employee in a regulatory or undercover function, with reasonable cause to believe there is risk to his/her personal safety if identified as a government employee, is exempt from requesting the federal lodging rates.

The employee must provide adequate justification with the original lodging receipt to the director or designated approving authority . The justification must also indicate that reimbursement at actual cost is within the agency's appropriation level . The Request for Reimbursement of Lodging at Actual Cost form can be found on the Employee Travel webpage.

## **V. Foreign Lodging**

Section 2-18-501(4), MCA, provides that an employee conducting official state business in a foreign country must be reimbursed \$155 USD per night for lodging . When the actual cost of foreign lodging exceeds \$155 USD per night, the DOA authorizes foreign lodging reimbursement claims at the lodging per diem rates established by the U.S. Department of State . If the actual cost of foreign lodging exceeds the federal per diem rates, the agency director, or designated approving authority, may provide prior approval of lodging reimbursement at actual costs . The employee must provide adequate justification with the original lodging receipt to the director or designated approving authority . The justification must indicate that reimbursement at actual cost is within the agency's appropriation level . The Request for Reimbursement of Lodging at Actual Cost form can be found on the DOA Employee Travel webpage.

All claims for foreign lodging must be documented by an appropriate receipt, typically defined as the original receipt from a licensed lodging facility . However, in some foreign countries, particularly in less developed areas or where a language barrier exists, a receipt may not be provided . In this situation, the employee should attempt to obtain the most appropriate type of documentation . This document should describe the services, accommodations, or supplies received and their business purpose; the date of the transaction; and the amount and currency in which the transaction was conducted . This document should bear some mark (signature or other) made by the supplier as certification that the transaction occurred as recorded . If the employee or another person completed this documentation on behalf of the supplier, this preparer should also sign (or mark) the document with their signature.

## **VI. Non-receiptable Lodging**

If an employee stays overnight at a site other than a commercial, non-receiptable lodging facility (e.g., with friends or relatives or in a tent, camper, or trailer), the employee may claim \$12 per night for lodging expenses . However, when overnight accommodations are provided at the expense of a government entity, reimbursement may not be claimed for lodging.

## **Mileage Reimbursement Rates**

### **I. Purpose**

This policy provides the current mileage reimbursement rates for official state travel allowed under 2 - 18 - 503 , MCA.

### **II. Scope**

This policy applies to all state agencies and institutions, excluding community colleges.

### III. Reimbursement Rates for Private Vehicle Travel

Allowable mileage rates are based on the annual standard mileage rate published by the U.S. Internal Revenue Service (IRS). The standard IRS mileage rate is updated every January 1st and Montana's mileage rates for the coming calendar year are updated at the same time. Specific mileage reimbursement rates are dependent on:

- The traveler's employment status with the State of Montana;
- The availability of a government vehicle; and
- Total mileage driven in a calendar month.

#### A. Traveler is a State Employee

If a state employee, with their supervisor's prior approval, chooses to use a private vehicle when a government vehicle is available, the employee is reimbursed at 48.15% of the current standard IRS mileage rate. The reduced standard IRS mileage rate is referred to as the "Standard Rate."

For calendar year 2020, the Montana standard rate is 27.7 cents per mile, based on the IRS standard mileage rate of 57.5 cents per mile.

To be eligible to receive mileage reimbursement for use of a private vehicle for official state business, the Personal Vehicle Use Authorization Form must be completed and approved prior to travel. The form is available on the Employee Travel webpage and must accompany a travel claim.

#### B. Travel with Special Approvals

When a private vehicle is used because a government vehicle is not available, or it is in the best interest of the state not to use a government vehicle, AND either a Notice of Vehicle Unavailability from the State Motor Pool or a specific exemption is attached to the travel claim, the standard IRS mileage rate of 57.5 cents per mile is paid for the first 1,000 miles driven in a calendar month. This is referred to as the "High Rate."

A Notice of Vehicle Unavailability is provided by the State Motor Pool if they are unable to fill a reservation request. The employee must have contacted the State Motor Pool and reserved a Motor Pool vehicle for their travel to obtain this notice.

Specific exemptions are allowed for:

- 1.** employees who serve on a state board, commission, committee, or advisory council unrelated to their state employment;
- 2.** cases where the agency director, or designated approving authority, has provided written notice that use of a private vehicle is in the best interest of the state; or
- 3.** cases where an employee travels 25 miles or less in any calendar day while conducting state business. Mileage claims where specific reimbursement exemptions exist still require completion and approval of the Personal Vehicle Use Authorization Form prior to using a private vehicle for official business, and must accompany a travel claim.

An employee may claim mileage expense at the appropriate rate if they use their personal vehicle for transport between different daily work sites. Mileage claims are not allowed for commuting between home and headquarters at the beginning or end of a workday, or for a non-

compensated break in the employee's work day.

For each mile driven over 1,000 miles in a calendar month, the standard IRS rate is reduced to 54.5 cents per mile. This is referred to as the "Low Rate."

### C. Traveler is Not a State Employee

A traveler who is a member of the legislature, juror, witness, county agent, or any person except a state employee, is entitled to collect mileage at the standard IRS rate of 57.5 cents per mile for the first 1,000 miles traveled in a calendar month (High Rate). For each mile driven over 1,000 miles in a calendar month they are entitled to 54.5 cents per mile (Low Rate).

### IV. Reimbursement Rate for Private Airplane Travel

Section 2 - 18 - 503 ( 4), MCA, establishes the mileage rate to be used for reimbursing legislators, state officers and employees, jurors, witnesses, county agents, and all other persons for use of their own airplane when performing official duties. For actual nautical air miles traveled, the rate is twice the "High Rate" allowed for personal vehicle use.

Effective January 1, 2020, the reimbursement rate for private airplane use is \$1.15 per nautical mile. Prior authorization for reimbursement must be made by a responsible agency manager and must accompany a mileage reimbursement claim.

### **Meal Allowances**

#### **I. Purpose**

This policy establishes meal allowances for state employees traveling on official business.

#### **II. Scope**

This policy applies to all state agencies and institutions, excluding community colleges.

#### **III. Policy Overview**

Unless covered by a separate section of statute, all elected officials, appointed members of boards, commissions, or councils, department directors, and all other state employees are subject to the regulations regarding meals contained in 2-18-501 and 2-18-502 , MCA. Legislators are subject to certain limitations while the legislature is in session, as noted in 5-2-301 , MCA. Agencies may refer to the Employee Travel webpage for additional travel policies and information.

To be eligible for a meal allowance while traveling on state business, an employee must be in a travel status for more than three continuous hours and be at least 15 miles from headquarters or home, whichever is closer. Refer to the Employee Travel policy for an explanation of travel status. Appointed members of a state board, commission, or council, or a member of a legislative subcommittee, select, or interim committee are exempt from this requirement and are entitled to a midday meal on the day of a meeting, regardless of proximity of the meeting to headquarters or their home. This exemption does not apply to a member of a legislative committee that is meeting during a legislative session.

If the employee travels each day from headquarters or home to a specific work site within 15 miles of their home or headquarters, they are not in a travel status and may not claim a meal allowance unless they have to stay overnight. The employee should consider the work site to be their "headquarters" for that day.

The meal allowance is a fixed amount per meal, inclusive of any taxes and tips paid, and is not a reimbursement for actual meal costs incurred. An employee is generally entitled to receive a meal allowance if they are in a travel status and meet the above criteria. However, they may not request reimbursement for meals included in the cost of a conference registration paid by their agency or for meals provided by another entity with whom the state is conducting business.

If an employee is traveling from in-state to out-of-state, or vice versa, they must observe these rules regarding reimbursement for meals:

1. For overnight travel, the geographical location of the lodging facility determines the applicable meal reimbursement rate. However, if the employee has a layover for business or personal reasons that occurs in-state before the employee re-embarks to an out-of-state destination where they continue in a business travel status, in-state rates apply until the employee begins the subsequent leg of their travel taking them out-of-state.
2. If an employee is in a travel status for less than 24 hours and does not stay overnight, the primary destination to which the employee travels for official business dictates whether meal allowances are at the in-state or out-of-state rate.
3. When an employee boards a flight originating in Montana with an out-of-state destination, they receive out-of-state rates from the time they depart until they return to Montana.

#### **IV. Determination of Meal Allowance**

##### **A. Travel Shift**

Section 2-18-502 (3), MCA, defines "travel shift" as beginning one hour before and ending one hour after an employee's regular scheduled work shift. An employee may claim only one meal (midday) if travel takes place within their assigned travel shift. An employee is entitled to two meal allowances during a 24-hour calendar day if they depart within their travel shift but return outside the shift; or depart before their assigned travel shift and return during the travel shift.

When travel is totally outside the employee's travel shift, eligibility for a meal allowance is governed strictly by the time ranges for each meal.

For example, if an employee travels to Billings from Helena and leaves at 5:00 a.m. to attend a 9:00 a.m. meeting that lasts until 5:00 p.m., then returns to Helena at 9:00 p.m., and their normal working hours are 8:00 a.m. to 5:00 p.m., they are entitled to all three meals since they are in a travel status for more than three continuous hours in each of the time ranges referenced in B below, and their travel status covers their entire travel shift.

##### **B. Time Ranges**

The time ranges determining eligibility for meal allowances are established in 2-18-502 (1), MCA. To claim an allowance for a meal, an employee must be in travel status for more than three continuous hours within one of the following time ranges:

<b><u>Time Range</u></b>	<b><u>Meal Allowed</u></b>
12:01 a.m. to 10:00 a.m.	Morning Meal
10:01 a.m. to 3:00 p.m.	Midday Meal
3:01 p.m. to midnight	Evening Meal

Each time range must be considered separately when applying the more-than-three-continuous-hour rule. More than three continuous hours in any one time range is at least 181 minutes.

For example, if an employee regularly works 8:00 a.m. to 5:00 p.m., their qualifying travel shift begins at 7:00 a.m. and ends at 6:00 p.m. If they travel from 7:00 a.m. to 2:00 p.m., they receive a meal allowance only for the midday meal, because the midday mealtime range is the

only range where they are in a travel status for more than three continuous hours. Their travel status is one minute short of meeting the time range requirement for the morning meal. If they start their travel status no later than 6:59 a.m., they meet the requirements of the more-than-three-continuous-hours rule for the morning meal as well, as they are traveling during this period for 181 minutes (180 minutes equals three hours). They also satisfy the travel shift requirement for reimbursement of two meals by leaving before the start of their travel shift and returning within their travel shift.

An employee cannot claim a meal allowance if they stop to eat, and because of the stop, extend their travel shift into the next allowed mealtime range. By stopping they have artificially extended their travel into the next time range and this will result in denial of any claim for that range's meal allowance.

For example, consider an employee with regular work hours of 8:00 a.m. to 5:00 p.m. that leaves Helena at 8:00 a.m. to attend a meeting in Butte at 9:00 a.m. The meeting ends at 4:00 p.m. and, if the employee heads immediately back to Helena, they can be home by 5:30 p.m. They are in a travel status for 2½ hours in the evening mealtime range – which is not long enough to qualify them for the evening meal. Suppose the employee chooses to stop for dinner before returning to Helena, and does not reach home until 6:30 p.m. They are in a travel status for 3½ hours in the evening mealtime range (from 3:00 p.m. to 6:30 p.m.) but the unnecessary stop for an early dinner was what caused the employee to be later than expected in returning to Helena. This voluntary act postponed their return to Helena and could have been avoided. A claim for an evening meal reimbursement for this trip will be denied.

## **V. Meal Rates**

### **A. In-State Meal Rates**

Effective July 1, 2019, House Bill 175 (2019) amends the in-state meal allowances to the following:

Morning meal	\$7.50
Midday meal	\$8.50
Evening meal	<u>\$14.50</u>
Total per day	<u>\$30.50</u>

### **B. Out-of-State Meal Rates**

Meal allowances for out-of-state travel (including U.S. territories and possessions) are equal to the maximum standard federal rate per meal, as established in 2-18-501 (2), MCA. The federal schedules are available on the GSA website and may change annually beginning on October 1st of each year. Although the federal schedules provide for higher meal allowances in specific locations, 2-18-501 (2)(b), MCA, allows only the standard federal rate for meals. As of October 1, 2018, the standard meal rates are:

Morning meal	\$13
Midday meal	\$14
Evening meal	<u>\$23</u>
Total per day	<u>\$50</u>

### **C. Out-of-Country Meal Rates**

For travel to a location outside of the United States, meal reimbursement rates are provided in 2-18-501(4), MCA, as follows:

Morning meal	\$ 7
Midday meal	\$11
Evening meal	<u>\$18</u>
Total per day	<u>\$36</u>

All claims for foreign meals **must** be documented by an appropriate receipt, even if the employee is submitting a meal claim for the per diem rates set in 2-18-501(4), MCA.

If the cost of meals obtained in a foreign country exceeds the rates established in 2-18-501(4), MCA, the employee will be reimbursed for actual meal expenses, excluding any cost of alcoholic beverages, up to the daily maximum established by the U.S. Department of State for the related foreign area. The federal schedules for foreign travel rates can be accessed on U.S. Department of State website under the link for Foreign Per Diem Rates. This link is also available on the Employee Travel webpage under Travel Resources.

The allowed federal foreign travel rates for meals and incidental expenses (M & IE Rate) are combined into a single US dollar amount. To determine the appropriate maximum federal per diem rates for each meal the combined rate is allocated at the rate of 15% for breakfast, 25% for lunch, and 40% for dinner; or 80% of the total M & IE Rate for a full day, rounded to the nearest dollar. If an employee is in foreign travel status for less than a full day, the federal meal total should be allocated using the individual meal percentages. When an employee is in foreign travel status for an entire day, the receipts will be compared to the total allowed per day by 2-18-501 (4), MCA, to arrive at the higher reimbursement rate due to the employee.

The 20% foreign "incidental allowance" included in the federal per diem rate is not allowable under state law.

**VI. Special Circumstances for Firefighters**

Sections 2-18-501 (10) and (11), MCA, provides that firefighters employed by the Department of Natural Resources and Conservation, who are directly involved in the suppression of a wildfire in Montana, are permitted to claim the actual cost of meals exceeding the state meal reimbursement rates up to specified limits . Please contact DNRC for approved actual cost limits.

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