

**THE WORKFORCE BOARD OF NORTHERN COOK COUNTY**

**LOCAL AREA WIA Policy 2006 – Business Travel and Expense Reimbursement Policy**

**TO:** ALL WIA CONTRACTORS

**FROM:** \_\_\_\_\_  
Jennifer Stasch  
Director of Administration

**SUBJECT:** Business Travel and Expense Reimbursement Policy

**DATE:** May 18, 2006 (Revised)

**Purpose:** The purpose of this letter is to update and clarify the policy for business travel and expense reimbursement under The Workforce Board of Northern Cook County Workforce Investment Act (WIA) contracts.

**References:** OMB Circulars A-87  
OMB Circulars A-21  
OMB Circulars A-122  
48 CFR Part 31- Travel Cost Sec. a-f  
WIA Legislation and WIA Rules and Regulations

**Background:** Business Travel and Expense Reimbursement Policy is being issued in order to ensure accountability and keep payment for business travel and expenses in line with IRS regulations, DOL and DCEO policy, and other applicable rules and regulations.

**Policy**

**Statement:** The Workforce Board of Northern Cook County will only reimburse for business travel and expenses that are allowable under WIA and other applicable rules and regulations. Business travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by the Contractor's employees and the employees of subcontractors whose travel and business expenses are required to perform the Contractor's Scope of Services. Contractors agree to be bound by Workforce Board business travel and expense reimbursement policy even if these policies are more stringent than the Contractor's travel policies. The allowable reimbursement for travel and expenses under the WIA programs will be determined based on the policy outlined in this document and must be identified as a line item in the Contractor's budget in the Agreement held with the Workforce Board.

## **Workforce Board Travel and Business Expense Reimbursement Policy**

Travel can play an important role in accomplishing the mission to provide superior and responsive services to the people of Northern Cook County. When conducting business on behalf of services under the WIA funds, contractors and employees of contractors and subcontractors are expected to use good quality services and accommodations appropriate for the business to be conducted. Good judgment and ethical practices on the part of each traveler remain the most important factors in controlling travel expenses.

### **1. Travel and business expense reimbursement process summary**

- a. Processed monthly.
- b. Employee appropriately completes expense report with authorized documentation and purpose of business travel or expense – sample attached.
- c. All travel costs and authorized business expenses under \$25.00 do not require a receipt **if explained** in the expense report. Items \$25.00 or more (including tips) must be documented with a receipt.
- d. Employee submits expense report to supervisor or designated administrator for written approval and verification of travel and purposes.
- e. Contractor submits invoice with costs in proper line items and proper documentation attached.
- f. Employee reimbursed for authorized travel.

### **2. Control of travel authorization is the responsibility of a designated supervisor or administrator**

- a. Travel authorization is a two part process including: 1) approval of travel; and 2) expense reporting following completion of the trip. Approval of Business Travel and Expense Reports is more than a formality. It indicates that expenses submitted have been reviewed and have been found to comply with Workforce Board regulations regarding travel and authorized business expenses.
- b. All employees traveling or incurring business expenses with funds under contract with the Workforce Board and those responsible for the approval of these expenses are expected to use these measures to assist in maintaining control over travel expenditures. The policies detailed here apply to all funds contracted under Workforce Board control and are superseded only in those instances where other funding agencies apply specific and more restrictive rules and rates.

### **3. Travel authorized for reimbursement if authorized in Contractor's Agreement with the Workforce Board**

- a. Costs according to Contractors' reasonable travel policies adopted by the Contractor **that are consistent with or more stringent than the Workforce Board's travel policies**, are allowable for expenses for transportation, lodging, subsistence, and related items incurred by the Contractor's employees and the employees of the subcontractors whose travel is required to perform the Contractor's Scope of Services.

- b. Contractor will be reimbursed for actual transportation costs of personnel authorized to undertake out-of-town, overnight travel under this grant agreement. Costs will not be reimbursed in an amount greater than the cost of first class rail or of economy air travel.
- c. Contractor will be reimbursed for the cost of travel performed by its personnel in their privately owned automobiles, at the IRS Business Standard Mileage Rate, or the Contractor's policy if less than the IRS rate, not to exceed the cost by the most direct economy air route between the points so traveled. If more than one person travels in such automobiles, no additional charge will be made by the Contractor for such travel.
- d. No travel costs will be reimbursed for an employee traveling from place of residence to and from normally assigned worksite.
- e. Actual travel expenses will be reimbursable in the subsequent month in which incurred.
- f. Travel expenses which exceed the limitations established by IRS Regulations, other Federal statute or regulation (including current Federal Travel Regulations, OMB Circulars, FAR, etc.), Workforce Board policy or Contractor's own policy, are not allowable costs under this contract.

#### **4. Travel Arrangements**

- a. To reduce travel costs, Contractors are encouraged to seek the assistance of a travel agent and/or utilize discount travel websites or the airlines website when purchasing air travel and reserving cars and hotel rooms. Whenever possible, travel should be arranged using the least expensive means possible. Employees should use good judgment when determining logical routes for arriving at the intended destination.
- b. Air Travel  
 In order to obtain the lowest available fare with logical routing for all trips, the Contractor's employees should request flights according to approximate arrival and departure time, rather than by specific carrier or flight number. In general, lowest available fare is defined as the least costly fare available at the time of ticketing, and may include one stopover or connecting flight. (This is not intended to limit travelers who may wish to arrange air fare using more than one stopover or connecting flight as savings and time permits.) In order to take advantage of available discounted fares, travelers are requested to make reasonable adjustments in their travel plans. Air travel arrangements should be made as far in advance as possible to take advantage of special fare savings. Travelers should be aware that some discounts have travel restrictions and cancellation penalties, and therefore good business judgment should be exercised. All air travel expensed must be coach rate.
- c. Ground Transportation  
 It is expected that employees use the most effective ground transportation available, considering cost, time, and availability and scheduling. The cost of public transportation is reimbursable and does not require a receipt unless one can be obtained, and the cost is \$25.00 or more.

- d. Taxi and Airport Transportation  
Whenever practical, airport or hotel ground transportation should be the preferred method of transportation to hotels or meeting sites. Taxis may be used as necessary taking into consideration the cost of other means of transportation. A receipt is required for reimbursement of these expenses if the cost including tip is \$25.00 or more.
- e. Rental Passenger Automobiles  
**Rental automobiles may be used as necessary, but must be approved by the designated supervisor or administrator.** Receipts are required for reimbursement of all expenses related to rental automobile use including cost of the rental fee and gas unless the purchase amount is under \$25.00. Arrangements for rental automobiles should be made through a travel agent or discount travel website whenever possible.
- f. Personal Vehicles  
**Expenses of travel by automobile are reimbursable at the IRS authorized rate in effect as of June 1 of each fiscal year or the IRS authorized rate if it changes on any other date in the fiscal year.** Current IRS authorized rate can be found at <http://www.irs.gov/newsroom/article/0,,id=151226,00.html>. The mileage reimbursement allowance covers all automobile related costs; gasoline, insurance, maintenance etc. Toll charges and parking fees are reimbursable in addition to mileage allowance. The total personal automobile expenses shall not exceed the lowest available air fare. Total miles for the trip must be registered on the travel reimbursement form. Business travel starting from the traveler's home must show reduction of the miles of usual travel from home to work. Odometer readings and/or mapquest printouts are not required for Contractor reimbursement.

## 5. Other Business Travel Costs and Policies

- a. Meals  
The per diem allowance for meals including taxes and tips while on authorized business travel shall not exceed the Internal Revenue Service (IRS) standard allowance for the locality. If the location traveled is not included in the IRS list, the standard meal allowance for the nearest city shall apply. Meal expenses exceeding the standard allowance are the responsibility of the employee.  
When traveling on authorized business, employees should select restaurants reasonably priced for the locality. In addition, employees shall be aware that the Workforce Board will not reimburse for alcoholic beverages. Receipts are required for meals purchased during the course of the business trip if cost of the meal including tip is \$25.00 or more.
- b. Hotels  
Contractor's employees are expected to use reasonably priced lodging. Whenever practical, hotel reservations should be made using a travel agent or discount travel website. Otherwise, good judgment should be used in selecting hotels which provide comfortable lodging at reasonable prices.

- c. Conferences, Seminars, Workshops, and other Business Related Registrations  
Contractor's will be reimbursed for the costs associated with employee registration fees for conferences, seminars, workshops, and other business related registrations that have been authorized by the Contractor and are included in the Contractor's budget approved by the Workforce Board.
- d. Accompaniment by an Immediate Family Member  
The Workforce Board will not reimburse for travel costs of immediate family members traveling with Contractor employees on authorized business travel. Should a family member accompany the employee for personal reasons, only those costs related to the employee's travel may be reimbursed.
- e. Combined Business/Personal Travel  
Whenever an employee, for his/her convenience, travels by an indirect route or interrupts business travel for personal travel, the additional expenses related to the personal travel are the responsibility of the employee.
- f. Non-Allowable Expenses  
The Workforce Board will reimburse Contractors for reasonable and necessary employee travel expenses incurred while transacting the contracted business affairs if included in the Contractor's approved budget. However, there are specific types of expenses which are considered to be personal, and are therefore not reimbursable. These include but are not limited to:
- Cleaning, pressing, and laundry;
  - Personal entertainment including movies, videos or pay-per-view services in a hotel room;
  - Flight insurance and other trip insurance including travel accident insurance;
  - Beautician, barber, manicurist and shoe shine;
  - Clothing;
  - Babysitting;
  - Pet boarding;
  - House sitting;
  - Personal telephone calls except to report changes in schedule, or to talk with family members once per day (15 minutes per day maximum);
  - Repairs on personal automobiles damaged while on company business;
  - Traffic violations and court costs;
  - Parking tickets;
  - Charitable or political contributions;
  - College/university alumni dues;
  - Clubs – membership fees and charges including airline clubs; and
  - Alcohol.

Any other questionable expenses not specifically allowed or prohibited elsewhere in this policy should be addressed and documented in the expense report by the Contractor's employee and the designated supervisor or administrator. The Workforce Board reserves the right to deny these reimbursement requests.

## **6. Expense Reporting and Reimbursement**

- a. The Expense Form used by Contractors' for employee business travel (or using the Workforce Board form attached) should be filled out in accordance with the instructions noted on the form. Travelers should provide as much detailed information of all expenses as possible on the form including the cost of registration, books, meals, hotel, airfare, mileage, etc., regardless of whether it was paid directly to a vendor (e.g. conference, seminar or other registration fees) or by credit card or company authorized purchasing card (P-Card) for expenses such as hotel bills. Purpose for the business travel and expense should be included on the reimbursement request. Original receipts must be included, except when it is impractical to do so, or when specifically exempted by this policy (e.g. costs under \$25.00, cost of public transportation, tips, parking meters, etc.). The expense report should be submitted with the Contractor's monthly expense report.

The Workforce Board reserves the right to reject a Contractor's reimbursement request if the Workforce Board believes the travel expenses were not associated with necessary business travel.

### **Action**

#### **Required:**

This information should be disseminated to Contractor staff permitted to travel on the Contractor's behalf.

#### **Inquiries:**

Questions regarding any aspect of this policy should be directed to the Workforce Board's Director of Administration.

### **Effective**

#### **Date:**

Immediately