MTAS
Municipal Technical Advisory Service
In cooperation with the Tennessee Municipal League

#109 HOT topic

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CHANGES IN FEDERAL REIMBURSEMENT RATES FOR TRAVEL

Dick Phebus, Finance and Accounting Consultant

Federal Rates Effective October 1, 2004

Tennessee cities that elect to reimburse for travel using the federal reimbursement rates should note that the federal government has increased per diem reimbursement rates effective October 1, 2004. Cities may wish to update their travel policies to reflect this change.

Standard Rates

The standard CONUS (Continental United States) rate for lodging has been increased to $60 ($55 for FY2004) while the M&IE (meals and incidental expense) rate remains unchanged at $31.

Non-Standard Rates

In addition to the increase in the standard lodging reimbursement rate, the federal rate for lodging, meals, and incidentals reimbursement has changed for select cities in Tennessee. The non-standard lodging rate for Memphis decreased $1 while the non-standard lodging rate for Nashville decreased by $5, and the non-standard rate for Chattanooga increased by $4. The seasonal variances in Gatlinburg have been eliminated, while non-standard rates for Brentwood/Franklin and Knoxville have been added, effective October 1, 2004. The following table reflects the recent changes for locations in Tennessee.

LOCATION	COUNTY	LODGING	M&IE	TOTAL
Brentwood/Franklin	Williamson	$66	$35	$101
Chattanooga	Hamilton	$88	$31	$119
Gatlinburg/Townsend	Sevier and Blount	$79	$43	$122
Knoxville	Knox	$65	$31	$ 96
Memphis	Shelby	$80	$43	$123
Nashville	Davidson	$77	$47	$124
Tennessee	All Other Locations	$60	$31	$ 91

M&IE is broken down as shown in the following table for locations in Tennessee.

M&IE Total	$31	$35	$43	$47
Breakfast	$ 6	$ 7	$ 9	$ 9
Lunch	$ 6	$ 7	$ 9	$11
Dinner	$16	$18	$22	$24
Incidentals	$ 3	$ 3	$ 3	$ 3

These federal per diem rates apply to all locations within or entirely surrounded by the corporate limits of the key city as well as the boundaries of the county, including other municipalities within the county.

Federal reimbursement rates for out-of-state travel vary from state to state. A complete listing of federal per diem rates for FY 2005 can be found at http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd05d.html.

State Rates

For those cities that elect to use the state of Tennessee reimbursement rates, there has been no change in lodging rates from last year. The mileage reimbursement rate increased from 32 to 35 cents per mile, effective May 1, 2004. The state reimbursement policy also provides for lodging rates and meals and incidentals maximum amounts. The state travel policy can be found in the Tennessee Comprehensive Travel Regulations at http://www.state.tn.us/finance/act/policy8.pdf.

Please review your city's travel policy to determine the applicable reimbursement rates for lodging and M&IE. If your city's travel policy makes reimbursements based on the "state" or "federal" rate, the changes noted above may take effect without any action by your city board. If, however, your city's policy establishes specific reimbursement rates for lodging and meals, you may need to amend the travel policy to reflect the above changes in regard to mileage and other travel expenses.

For More Information

Contact Dick Phebus, MTAS finance and accounting consultant, or your MTAS management or finance consultant for further assistance on this matter.

Visit our Web site at www.mtas.tennessee.edu for further information.

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MTAS OFFICES

Knoxville (Headquarters). . . . . (865) 974-0411

Johnson City . . . . . (423) 854-9882
Nashville . . . . . (615) 532-6827
Jackson . . . . . (731) 423-3710
Martin . . . . . (731) 587-7057

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