

Hot Topics for Tennessee cities and towns

July 31, 1998 #38

State Revises Travel Reimbursement Rates

The state of Tennessee has revised its travel reimbursement rates. If your city adopted the MTAS model travel policy and you reimburse using the state rates, then your reimbursement rates have changed, too. Your governing body doesn't need to take any action for your city to begin reimbursing for travel at the new rates listed here.

For those cities that elected to reimburse for travel using the federal reimbursement rates, the vehicle-cents-per mile was increased to 32.5 cents. Please reference an MTAS Hot Topic dated March 17, 1998, for additional information on federal rates.

The new, higher state rates are effective August 1, 1998. In-state travelers are reimbursed at three different rates (Level I, Level II, and Level III), depending on where they travel. Out-of-state travelers are eligible for reimbursement at rates provided by the federal government.

First, here are some general state rates that have changed:

- Mileage
 - Standard mileage rate effective 8/1/98 \$.26 per mile
 - Standard mileage rate effective 7/1/99 \$.28 per mile
- Maximum parking fees without receipt \$5.00 per day
- Fees for handling equipment/promotional materials \$20.00 per hotel

Reimbursement Rates for In-State Travel

	Maximum Lodging	Maximum M&I	75% M&I
Level I	\$60 + tax	\$30	\$22.50
Level II	\$50 + tax	\$30	\$22.50
Level III	\$45 + tax	\$30	\$22.50

Level I

Counties and cities

Davidson, Hamilton, Knox, and Shelby counties, and Gatlinburg and Johnson City.

Level II

Counties

Anderson, Blount, Bradley, Carter, Coffee, Gibson, Greene, Hamblen, Hawkins, McMinn, Madison, Maury, Montgomery, Putnam, Roane, Robertson, Rutherford, Sevier, Sumner, Washington, Williamson, and Wilson.

State Parks

Paris Landing, Montgomery Bell, Natchez Trace, Pickwick, and Fall Creek Falls.

Level III

All other counties not listed above.

Reimbursement Rates for Out-of-State Travel

The State of Tennessee Comprehensive Travel Regulations authorizes the maximum reimbursement rates for out-of-state travel by state employees at the same level as those maintained by the U.S. General Services Administration for federal employees within the continental United States. Reimbursement rates vary from state to state. For a complete listing, please reference the IRS publication #1542. Or, you can find it on the Internet at <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd98.htm>

For those city without Internet access and need CONUS reimbursement rates, please contact the MTAS finance or municipal management consultant in your area.

Explanation of Per Diem Rates for Meals and Incidentals

The maximum per diem rates include a fixed allowance for meals and for incidental expenses (M & I). The M & I rate, or fraction thereof, is payable to the traveler without itemization of expenses or receipts. Incidentals are intended to include miscellaneous costs associated with travel such as tips for baggage handling, phone calls to home, etc. Reimbursement is made only when overnight travel is required, or excessive hours of work are required outside the county of the employee's official work station or residence. Generally, the applicable maximum per diem rate for each calendar day of travel shall be determined by the location of lodging for the traveler.

The per diem rates for meals and incidentals of in-state travel are established in the section entitled "Reimbursement Rates for In-State Travel." The M & I rates for out-of-state travel are the same as those for federal employees and are available on the General Services Administration's Web site. As with lodging, there is a standard rate for the continental United States (CONUS), and a list of exceptions.

Reimbursement for meals and incidentals for the day of departure shall be three-fourths, or 75 percent, of the appropriate M & I rate (either the in-state rate or CONUS rate for out-of-state travel) at the rate prescribed for the lodging location. Reimbursement for M & I for the day of return shall be three-fourths, or 75 percent, of the M & I rate applicable to the preceding calendar day. To assist in this calculation, the following table lists partial per diem rates for meals and incidentals for in-state and out-of-state travel.

DAILY M&I	75% M&I
\$30	\$22.50
\$34	\$25.00
\$38	\$28.50
\$42	\$31.50

The following table may also be used to determine reimbursement for a single meal when appropriate. Reimbursement may be made for an occasional meal for employees on one-day travel status working beyond their 7.5 hour workday who may leave home before 6 a.m. or do not return home until after 7 p.m.

In-State and Out-of-State/Meals & Incidentals/Allocated by Meal

Per Diem	\$30	\$34	\$38	\$42
Breakfast	\$6	\$7	\$8	\$9
Lunch	\$8	\$9	\$10	\$11
Dinner	\$14	\$16	\$18	\$20
Incidentals	\$2	\$2	\$2	\$2

Employees who are scheduled to work nonstandard shifts (official work hours begin before 7 a.m. or end after 5:30 p.m.), and are eligible for meal reimbursement shall be reimbursed at one-third of the daily M & I rate for each reimbursable meal. Total reimbursement is limited to the full day M & I allowance.

For further information contact MTAS at the office nearest to your city: Knoxville (423) 974-0411; Johnson City (423) 854-9882; Nashville (615) 532-MTAS (6827); Jackson (901) 423-3710; or Martin (901) 587-7055.

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