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Hot Topic: Changes in Federal Reimbursement Rates for Travel

Dick Phebus

Municipal Technical Advisory Service

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MTAS
**Municipal Technical
 Advisory Service**

*In cooperation with the
 Tennessee Municipal League*



December 19, 2005
**CHANGES IN FEDERAL AND STATE LODGING
 REIMBURSEMENT RATES FOR TRAVEL**
Dick Phebus, Finance and Accounting Consultant

**FEDERAL RATES EFFECTIVE
 OCTOBER 1, 2005**

Tennessee cities that elect to reimburse for official travel using the federal reimbursement rates should note that the federal government has increased per diem reimbursement rates effective October 1, 2005. Cities may wish to update their travel policies to reflect this change. These rates are effective until September 30, 2006.

The FY2006 standard CONUS (continental United States) rate for lodging remains the same at \$60 (\$60 for FY2005) while the M&IE (meals and incidental expenses) rate increases to \$39 (\$31 for FY2005).

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 table below lists those changes. It should be noted that the lodging reimbursement rate for Memphis decreased effective October 1, 2005; however, an amendment to the nonstandard rate for Memphis increased the rate effective November 20, 2005. Additionally, requirements for M&IE rates for all locations for the first and last days of travel are calculated at 75 percent of the authorized rates.

CITY OR LOCATION	COUNTY	LODGING	M&IE	TOTAL
Brentwood/Franklin	Williamson	\$75	\$49	\$124
Chattanooga	Hamilton	\$77	\$44	\$121
Gatlinburg/Townsend	Sevier and Blount	\$66	\$49	\$115
Knoxville	Knox	\$69	\$49	\$118
Memphis (Oct. 1-Nov. 19, 2005)	Shelby	\$73	\$49	\$122
Memphis (Nov. 20-Sept. 30, 2006)	Shelby	\$78	\$49	\$127
Nashville	Davidson	\$96	\$54	\$150
All other Tennessee locations		\$60	\$39	\$ 99

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Meals and incidental expenses are broken down as shown in the following table for locations in Tennessee.

M&IE	\$39	\$44	\$49	\$54
Breakfast	7	8	9	10
Lunch	11	12	13	15
Dinner	18	21	24	26
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 2006 can be found at http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC.

STATE OF TENNESSEE RATES

The table below lists lodging rates for Tennessee cities for use by cities that elect to use the state of Tennessee reimbursement rates. The state reimbursement policy also provides for meals and incidentals maximum amounts that are slightly different from the federal rate. The state travel policy can be found in the Tennessee Comprehensive Travel Regulations at <http://www.state.tn.us/finance/act/policy8.pdf>.

IN-STATE TRAVEL LODGING REIMBURSEMENT RATES

Level I Counties and Cities	Maximum Lodging	Maximum Meals & Incidentals
Shelby County, Davidson County Gatlinburg, Pigeon Forge <i>(Includes Montgomery Bell, Pickwick Landing, and Fall Creek Falls State Parks)</i>	\$75	\$38 (Pigeon Forge \$31)

Level II Counties and Cities	Maximum Lodging	Maximum Meals & Incidentals
Knox, Hamilton, Sullivan, Washington and Williamson counties <i>(Includes Henry Horton, Paris Landing, and Natchez Trace State Parks)</i>	\$65	\$31

Level III Counties and Cities	Maximum Lodging	Maximum Meals & Incidentals
All locations not listed in Level I or II	\$60	\$31

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IN-STATE MEALS & INCIDENTALS ALLOCATED BY MEAL		
Per Diem Rate	\$31	\$38
Breakfast	\$ 6	\$ 8
Lunch	\$ 8	\$10
Dinner	\$14	\$17
Incidentals	\$ 3	\$ 3

FINANCE OFFICE REVIEW

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 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 other travel expenses.

For more information, please contact the MTAS management or finance consultant in your area.

MTAS OFFICES

Knoxville (Headquarters) . . . (865) 974-0411	Jackson (731) 423-3710
Johnson City (423) 854-9882	Nashville (615) 532-6827
(423) 282-0416	Martin. (731) 881-7057

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