



State Board of Civil Legal Aid

Category: Finance
Policy Number: 203(a)
Title: Travel and Business Expense Reimbursement Procedures
Effective Date: July 1, 2025
Revision Date(s):

Travel and Business Expense Reimbursement Procedures

I. PURPOSE

These procedures implement the Board’s Travel and Reimbursement Policy by establishing uniform guidelines for the reimbursement of travel and business expenses.

Uniform guidelines are necessary to ensure the consistent, timely, and accurate payment of expenses. These procedures will ensure that all employees have a clear and consistent understanding of travel and business expense reimbursements and outline the necessary documentation, approval and control for the reimbursement of expenses while conducting Board business. These procedures also provide accounting checks and balances that preserve the integrity of the expense reimbursement process.

Seven major sections plus one attachment comprise these procedures. The sections: Purpose, Applicability, Definitions, General Requirements, Procedures, Related Documents, and Revision History.

II. APPLICABILITY

These procedures apply to all Board employees who submit, review, or process travel and business expense reimbursement claims.

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1.0 REQUIREMENTS

1.1 GENERAL REQUIREMENTS

- A. Travel and business expense claims must be submitted with the forms and related documents required by these procedures.
- B. Travel expenses for non-Board employees, such as consultants, trainers, board members, speakers, and other contractors, must be reimbursed according to their contract provisions. Standard vendor payment procedures apply, as do the rates and requirements outlined in these procedures.
- C. Failure to comply with these procedures when incurring and approving expenses may result in delay or withholding of reimbursement. Deliberate misuse or violation of these procedures may result in disciplinary action up to and including termination.

1.2 JUSTIFICATION OF TRAVEL AND EXPENSES

- A. Employees traveling on Board business are expected to minimize travel-related expenses by choosing the least costly method of transportation or lodging that meets the traveler's scheduling and business needs. Employees are responsible for ensuring that expenses are valid Board-related business and a prudent use of public funds. The supervisor is required to ensure that all lower cost alternatives are considered prior to encouraging or approving travel by their employees.
- B. The decision to travel must be based solely on the need to fulfill the service objectives of the Board when a more economical alternative to travel does not exist. Whenever possible, employees should consolidate appointments in order to reduce the number of required trips. In addition, the use of phone or video conferencing or other technology is encouraged if meeting objectives can be met and travel avoided.

1.3 WORK STATION ASSIGNMENT

The State Board of Civil Legal Aid office location at 445 Minnesota Street, St. Paul, MN 55101 is designated as the default work station assignment for the purpose of determining and calculating travel reimbursements. The Board may also determine and assign work location designations at its discretion.

1.4 RECEIPTS

- A. Itemized receipts are required for all reimbursement requests, unless specifically noted in this policy. Receipts should be retained at the accounting office according to the record retention schedule for audit purposes and should be open to review as requested. Approvers and/or the accounting office reserve the discretion to deny an electronic receipt and require the original in the event review of the electronic receipt reveals poor image quality or other unusual circumstances.
 - 1) Receipts shall be on the regular receipt form or on the letterhead of the person or firm furnishing the services.

- 2) In some instances no receipt is available, such as for parking meters, toll charges, metered photocopiers, or other situations where a receipt is not typically given. If no receipt is available the employee should mark on the expense reimbursement report that no receipt was available.
- 3) Meal receipts are not required.
- 4) Mileage reimbursement does not require a receipt as it is based on miles traveled, not actual cost.
- 5) Reimbursement requests for metro transit (local bus, light rail) do not require a receipt as these costs are generally less expensive than reimbursement for mileage. But if provided, they should be attached to the reimbursement request. Reimbursement is in lieu of mileage and parking.
- 6) If a receipt for \$20 or more is lost or otherwise unavailable, the employee should attempt to get a duplicate from the vendor. If a duplicate is not able to be obtained, an *Affidavit of No Receipt* form may be completed. The approver may approve or disapprove the reimbursement based on information contained in the *Affidavit of No Receipt* form. However, an approver should ensure that affidavits are rarely used.
- 7) If a receipt less than \$20 is lost or otherwise unavailable an *Affidavit of No Receipt* is not needed. The approver may approve or disapprove the reimbursement based on the information provided on the expense claim. An approver should ensure that receipts are routinely being provided and that missing receipts is not a reoccurring issue.

1.5 60 DAY IRS RULE

Reimbursement claims must be submitted within 60 days after the expenses were incurred or paid whichever occurs first in order to comply with the IRS 60 day requirement.

- A. Per IRS rules, reimbursement claims that do not comply with the IRS 60 day requirement, will be categorized as supplemental wages and becomes taxable for federal, state, FICA and Medicare.
 - 1) Some reimbursement claim types are already categorized as supplemental wages and are already taxable for federal, state, FICA and Medicare. No additional taxes will be withheld as part of the IRS 60 day requirement.
 - 2) Employees are responsible for submitting business expense claims within 60 days to avoid the additional taxes imposed by the IRS rules. The date submitted in the Business Expense System will be used as the basis in calculating the 60 Day IRS Rule. (ex: Date of submission less date of expense = +/- 60 days)
 - 3) Non-compliance will result in taxable income with a cost to both the employee and the Board.
- B. Exceptions to the 60 Day IRS Rule are limited to the following:
 - 1) Tuition reimbursements must be submitted within 60 days of completion of the class, regardless of when the expense was paid by the employee.

- 2) Airfare, lodging, and conference fees are authorized prepayments as defined in State Board of Civil Legal Aid Policy and Procedures 202(a); Procurement and Contract Procedures. You may submit for reimbursement at the time these expenses are incurred. However, you must submit within 60 days of the end of the event, regardless of when the expense was paid by the employee to comply with the IRS 60 day requirement.
- 3) Other Travel Expenses must be submitted within 60 days of the end of the event, regardless of when the expense was paid by the employee to comply with the IRS 60 day requirement.

1.6 YEAR-END SUBMITTALS ARE REQUIRED

All travel reimbursements for the fiscal year (ending June 30) must be submitted and processed by the end of the first pay period in July (or in accordance with the SWIFT Agency Annual Schedule) to ensure payment is made from the proper fiscal year funds.

[IMPORTANT NOTE: Reimbursements will not be provided for expenses incurred or paid within prior fiscal years that are no longer open in the State accounting system.]

1.7 CREDIT CARD USE FOR BUSINESS EXPENSES

- A. Personal credit cards may be used for payment of Board travel and business expenses. Board purchase orders, purchasing cards, or travel advances are acceptable alternatives to the use of personal credit cards for such expenses.

When a personal credit card is used:

- 1) *Copies of credit card bills may not be substituted for-itemized receipts.* Credit card statements do not contain sufficient detail to determine whether the expense served a business or personal purpose.
- 2) *Personal credit card fees are not reimbursable expenses.* Annual credit card fees and delinquent charges for personal credit card are the responsibility of the employee and are not reimbursable expenses.

1.8 FREQUENT FLYER PROGRAMS

- A. Benefits derived from Board-funded commercial air travel issued by airlines are the property of the Board. They cannot be used by the employee unless in connection with Board-related travel. Any acceptance of personal inducements in return for an explicit or implicit pledge of Board business is expressly prohibited.
- B. In accordance with Minnesota Statutes, §15.435, whenever Board funds are used to pay for airline travel, any credits or other benefits issued by the airline must accrue to the benefit of the Board; they cannot be used for personal travel. Employees are responsible for tracking miles earned with Board funds and providing records of that travel, if requested.

[NOTE: If the extent of business travel warrants, a business frequent flyer account may be opened so that this benefit can be used by the employee (or other Board staff if applicable) for the purchase of a ticket for subsequent Board travel.]

1.9 TRAVEL IN CONJUNCTION WITH VACATIONS AND COMPANIONS

- A. Travel costs may be reimbursed for employees and Board members on approved travel only. Reimbursement of travel expenses for non-Board personnel accompanying employee is not allowed.
- B. An employee who is traveling with companions or family members must segregate and document the employee's business expenses from those related to travel companions. Any incremental expense of larger rooms or suites to accommodate travel companions will not be reimbursed. Also, the Board is not liable for any loss claim (injury, damage, lost luggage, etc.) involving travel companions.
- C. An employee may combine vacation before or after a business trip with pre-approval from their approver. The employee must use good judgment in making reservations so that the vacation plans do not result in additional cost to the Board for the business portion of the trip. A clear division between the business portion and the vacation portion of the trip must be evident. The employee will be reimbursed for only those expenses incurred that further a legitimate business purpose, and it is the employee's responsibility to prove cost difference and seek pre-approval. For out of state travel, documentation of vacation costs versus business costs must be submitted and pre-approved via a special expense request form prior to travel.

1.10 OPERATING MOTOR VEHICLES ON BOARD BUSINESS

- A. A valid Driver's License and personal insurance are required by law to operate any motor vehicle on Board business.
- B. Neither the State nor the Board is liable for any damage or loss resulting from use of a personal vehicle in the conduct of Board business.
- C. Any damage to the employee's personal vehicle, including insurance deductibles, will be the sole responsibility of the employee and is not reimbursable.
- D. In the event of a vehicular accident in the conduct of Board business, the employee must notify their Supervisor immediately. If damage is in excess of \$1,000 or if there is bodily injury the employee must also notify a local law enforcement agency.
- E. If an accident occurs when using a personal vehicle in the conduct of Board business, the employee should also contact the Admin Risk Management Division about the availability of coverage in excess of private insurance. An employee's personal automobile coverage is the primary insurance and will be applied first.
- F. If an accident occurs when using a rental vehicle in the conduct of Board business, the employee should also contact the rental car company.

- G. All tickets or fines associated with parking and traffic violations are the responsibility of the employee and will not be reimbursed.

1.11 MODES OF TRAVEL

| Modes | Policy |
|------------------|--|
| Personal Vehicle | <p>In all cases, mileage must be computed using Google Maps. If a longer route is taken, an explanation must be provided on the reimbursement form. Finance staff will review the explanation for the longer route and will approve if appropriate. Examples of an acceptable longer route might include construction detours, flooding or other closed roads. If a longer route has not been approved as appropriate for an additional mileage claim, the default mileage calculated by Google Maps will be used for reimbursement. Examples of longer routes where the additional mileage is not reimbursed might include routes avoiding gravel roads, avoiding construction (other than detours), making a personal stop or deemed more convenient/faster.</p> |
| Rental Car | <p>To be used when use of a personal vehicle is not available or not desirable, and the use of a rental car is the only or least expensive method of transportation.</p> <ol style="list-style-type: none"> 1. Use of a rental car must be pre-approved by the applicable approver. 2. Rental cars should be obtained through a State-contracted vendor. (Check the Admin website for contract details.) 3. An employee using a rental car must attach the itemized statement from the rental car company to request reimbursement. 4. The State-contracted vendor provides all insurance coverage up to the tort cap. No additional insurance should be purchased; any additional personal travel insurance is not reimbursable. By using a State vendor, the risk is transferred to the vendor and away from personal assets and insurance. 5. If for some reason a State-contracted vendor is not available, use of another vendor requires that the employee purchase (1) the auto liability and physical damage coverage up to \$1 million, if available, and (2) the collision damage coverage offered by the rental company. |

| Modes | Policy |
|---------------------------|--|
| | <p>6. An employee may be reimbursed for car rental expenses, toll charges, and gasoline expenses incurred in the performance of Board business.</p> <p>7. Unauthorized personal use of a Board provided vehicle, whether owned, leased, or rented may be grounds for disciplinary action up to and including termination. De minimis personal usage while on Board business is acceptable, provided the user remains mindful that they must be fiscally responsible, present a positive image to the public, and not temporarily house a vehicle at any establishment that may diminish public trust and confidence.</p> <p>8. Airport and ground limousines or other transportation vendors such as Uber and Lyft may be used when costs are equivalent to taxi rates or when no taxi options are readily available. Reimbursement will be for the actual cost of the transportation including gratuity up to 20% of the cost of the service provided.</p> <p>9. Cars may be rented when traveling on Board business only when other means of transportation are not readily available, are more costly, or are impractical. A car is to be rented with regard to business need, not personal convenience. For example, use of hotel courtesy vans or use of a taxi or other transportation vendors such as Uber or Lyft may be more economical than renting a car and still meet the traveler's needs.</p> |
| Commercial Transportation | <p>To be used when transportation by air, train, bus, or taxi is the most effective method for successfully doing business.</p> <p>1. Air transportation must be coach class except in those instances where such space is not available. Class of service or seat upgrades, at the expense of the Board, is not permitted. Travelers choosing to upgrade or travelers paying to select their own seat must do so at their own expense. Selecting more expensive flights based on the ability to upgrade is prohibited. A connecting flight should be used rather than a direct flight if significant savings can be achieved and is not unreasonably disruptive to the employee's travel schedule.</p> |

| Modes | Policy |
|------------------------|---|
| | <ol style="list-style-type: none"> 2. The Board will pay for one checked bag per employee. Fees for additional bags or overweight bags are the responsibility of the employee. 3. Whenever possible, an employee should secure the lowest fare, typically by booking reservations in advance. 4. When an employee has a reservation for a flight that is not going to be used, the employee is responsible for canceling the reservation. When a trip is cancelled after the ticket or invoice has been issued, the traveler should inquire about receiving a refund or using the same ticket for future travel. 5. Air charter service may be used for in-state or out-of-state travel when the charter service is less expensive than commercial transportation. 6. Where travel includes destinations visited for Board and non-Board purposes, reimbursement will be in an amount equal to the destinations visited for Board purposes only. 7. The Board will not reimburse employees for personal items lost while traveling on Board business nor will it reimburse for items purchased as a result of lost luggage. |
| Shared Transportation | Employees traveling to the same location should make a reasonable effort to share ground transportation whenever possible. |
| Light Rail/Bus Charges | Employee requests reimbursement of actual expenses when traveling on Board business. Receipts are not required but if provided, they should be attached to the reimbursement request. Reimbursement is in lieu of mileage and parking. |

1.12 MILEAGE WHEN USING A PERSONAL VEHICLE

- A. Mileage will be reimbursed for travel incurred while conducting official Board business when using a personal vehicle. This includes Board-sponsored events previously approved by the approver such as Board-related meetings, conferences, training, swearing-in ceremonies, and employee recognition events.
- B. *Trip miles* are miles traveled from origination to destination and will be calculated via Google Maps. The default mileage calculated by the online mapping system will be paid unless noted on expense reimbursement report as to why longer route was taken. Finance staff will review the explanation for the longer route and will

approve if appropriate. Examples of an acceptable longer route might include construction detours, flooding or other closed roads. If a longer route has not been approved as appropriate for an additional mileage claim, the default mileage calculated by Google Maps will be used for reimbursement. Examples of longer routes where the additional mileage is not reimbursed might include routes avoiding gravel roads, avoiding construction (other than detours), making a personal stop or deemed more convenient/faster.

- C. Only mileage in excess of the employee’s regular commuting daily round trip distance between home and their permanent work station will be reimbursed. When an employee does not report to the permanent work location during the day or makes Board related trips before or after reporting to the permanent work location, the allowable reimbursable mileage is calculated as: Total miles driven during the day while conducting Board business, less the normal commuting miles between home and the permanent work station.
- D. For travel that involves overnight stays, the commute deduction shall be taken once for the trip, regardless of the number of days away from home.
- E. Employees may only receive mileage reimbursement for commuting between their home and a permanent work location when mandated by their approver during non-scheduled work hours. For any travel that occurs during non-scheduled work hours, an employee will be reimbursed for mileage from home to the permanent work station or to an alternate destination only if the travel is requested and approved by the approver.
- F. The mileage reimbursement rate is set to cover all expenses related to operation of a personal vehicle while on Board business. Employees may not submit bills for gasoline, licensing, insurance, repairs or vehicle maintenance expenses for their personal vehicle. All tickets or fines associated with parking and traffic violations are the responsibility of the employee and will not be reimbursed.
- G. The Federal IRS Mileage Reimbursement Rate applies unless otherwise prescribed by law.

1.13 MEALS

- A. Employees may claim reimbursement only for the amount actually paid for meals when in travel status, not to exceed any maximum amounts specified in the table below.
- B. Meal costs may include tax and a reasonable gratuity, excluding any alcoholic beverages. Employees shall not be reimbursed for tip/gratuity over 20%.

| Meal | May be claimed if: | Maximum including tip and gratuity |
|-------------|--|---|
| Breakfast | The employee, while in travel status, leaves home before | \$13.00 |

| Meal | May be claimed if: | Maximum including tip and gratuity |
|---------------|---|---|
| | 6:00 a.m. or is away from home overnight. | |
| Lunch | The employee is in travel status more than 35 miles away from their permanent work location or is away from home overnight. | \$15.00 |
| Dinner | The employee, while in travel status, cannot return home until after 7:00 p.m. or is away from home overnight. | \$26.00 |
| Daily Maximum | If all meals apply | \$54.00 |

- C. Breakfast may be claimed if you are in travel status and leave home before 6:00 a.m. and dinner may be claimed if you are in travel status and return home after 7:00 p.m.
- D. Employees who are in travel status for two or more meals per day will be reimbursed for the actual costs of the eligible meals; this cost includes tax and gratuity up to 20%; up to the combined maximum daily amount for the reimbursable meals. Meals that are not reimbursable per this policy are not included when determining the combined maximum daily amount. (Examples – meals provided by the training, conference, event, or breakfast provided by a hotel.)
- E. Employees in travel status may be reimbursed for the actual cost that is charged to the employee of an official breakfast, luncheon, dinner or banquet meeting in conjunction with or required by a conference, workshop or seminar. If the meal exceeds the maximum amount allowable under this policy, or when occurring within the employee’s work area, it is to be claimed as a Special Expense using the Special Expense Request Form, and requires pre-approval by the approver whenever possible.
- F. Meals included as part of a conference, seminar fee, or airline tickets that are not separately charged to the employee should not be requested for reimbursement.
- G. IRS regulations require that meal reimbursements that do not accompany overnight lodging are considered as income; they are subject to income tax withholding and FICA. Meal reimbursement is not subject to MSRS deduction or included in the pension base. Information on meal reimbursement without overnight lodging will be reported on W-2 Forms.

1.14 LODGING

- A. Employees who incur expenses for lodging shall be allowed actual reasonable costs for lodging. Because of the variances between in-state and out-of-state hotel or motel accommodations, no fixed amounts are prescribed.
- B. Employees are expected to use good judgment by obtaining lodging at the lowest reasonable cost. Charges shall be reasonable and consistent with the facilities available. Single hotel rooms or regular business suites in suite type hotels are the standard accommodation. Premiums over standard room rates paid for luxury suites and other higher priced accommodations are not reimbursable and are the financial responsibility of the employee. Employees should obtain the government rates where possible when making lodging arrangements. Reimbursement for lodging costs is always based on the single room rate. Itemized receipts are required for lodging reimbursements.
- C. Employees who live more than 25 miles (based on residence) from a conference or program site may qualify for paid lodging.

1.15 OUT-OF-STATE TRAVEL

- A. *Special Expense* – Travel outside the State of Minnesota is considered a Special Expense and requires completion of a *Special Expense Form*.
- B. Pre-approval is required prior to out-of-state travel by the Board chair.
- C. Mileage to and from a commercial transportation center (airport, train station, and bus station) is an eligible reimbursement expense and is not subject to the daily commuting mileage calculations in Attachment 1.
- D. Parking and shuttle fees at such facilities are also eligible for reimbursement. When traveling to and from a commercial transportation center, employees should choose the lowest cost option by comparing the cost of taxi fare against the cost of mileage and parking expenses. When traveling to the airport and parking more than three days, off-site parking should be utilized to reduce costs.
- E. An employee may combine vacation before or after a business trip with pre-approval from their approver, provided that no additional costs are incurred by the courts. When completing the special expense form, it should be noted that vacation will be combined with the trip, and the costs for airfare, hotel, rental car, etc. should clearly define the vacation versus business expense for the trip. (Airfare quotes for court travel vs airfare quote for extended stay, etc.)
- F. Occasionally out of state travel will be sponsored by an outside entity. A special expense form is required if any payments are to be processed through the courts. If the outside entity pays the costs directly to the employee, and no items are processed through the courts via either a business expense form, purchasing card, or invoice then no special expense form is required.

G. *Vehicles Used for Out-of-State Travel* – Under special circumstances, approvers may authorize out-of-state travel for employees requesting to use their personal vehicles.

- 1) The reimbursement for transportation to and from the trip destination (including additional expenses that result while in route such as mileage, toll charges, additional meals, lodging) is limited to the lesser of either (a) the cost of such expenses or (b) the lowest cost of round-trip coach-class airfare. This cost must be documented on a special expense form prior to travel.
- 2) An estimate of the cost of the lowest round trip airfare plus any receipts associated with actual travel costs must be attached to the *Employee Expense Report*.
- 3) If available, Court-owned or leased vehicles, or rental vehicles available through the State contract, may be used for out-of-state travel. The expense of such vehicle will be charged against the out-of-state travel budget of the department.
- 4) When personal vehicles are used in driving to out-of-state locations not available by less-expensive commercial transportation, travel reimbursement shall be made on an actual mileage basis in accordance with these rules. When less-expensive commercial transportation is not available, reimbursement for meals and lodging shall be limited to a reasonable period of time as deemed appropriate by the approver.

1.16 NON-BOARD SPONSORED EVENTS

Travel to non-Board sponsored events, such as private gatherings, after-hours events, private retirement parties, and funerals are considered personal in nature and therefore are not considered allowable expenses for reimbursement.

1.17 REIMBURSEMENT FOR OTHER EXPENSES

[NOTE: A purchase order should be the first option for expenses listed below. Reimbursement to employees should be used when no other options are available.]

A. Conferences, Seminars, Training Fees

- 1) Obtains approval of the approver before registering for conferences, seminars or training.
- 2) Submits a Special Expense Form for approval prior to incurring any expenses for conferences, seminars, training and related travel costs that exceed \$500.

B. Cancellations

Cancellation costs are eligible for reimbursement, provided that the following steps have occurred:

- 1) Advise your approver of need to cancel travel plans due to illness, personal/family emergency or business needs.

- 2) Cancel airline, hotel and any other reservations.
- 3) Seek reimbursement for airline and/or hotel cancellation charges with justification that the cancellation resulted from a work-related need to cancel, illness, or personal/family emergency.
- 4) Any penalty resulting from not canceling an airline, hotel, or other reservation in a timely manner is the responsibility of the employee.

C. Supplies and Small Office Equipment

- 1) Small items and supplies may be purchased by the employee and later claimed for reimbursement based on approval by the approver. This does not include party supplies.
- 2) Approvals for these expenses are based on budget constraints and must be pre-approved. Itemized receipts are required for reimbursement when purchases are made by the employee. Reimbursement for home office furniture, equipment, supplies, and telephone and internet services is subject to the approval of the Appointing Authority in accordance with Minnesota Judicial Council Policy 322; Telecommuting and State Court Administrator Policy and Procedures 205.3; Payment for Telephone, Mobile Devices, and Home Internet Connectivity Allowance Procedure.

D. Employee Professional Membership Dues

- 1) Approvers may authorize the direct payment of expenses or reimbursement to an employee for full or partial costs of membership dues for professional organizations related to the employee's job that promote a public interest, provided the approver determines that such funds are available.
- 2) Reimbursement will not be made for membership dues to any organization whose purpose is to negotiate terms and conditions of employment.

1.18 RECORD RETENTION

Business expense reimbursement records are to be retained for the current year plus three prior fiscal years, regardless of any associated financial audits. Discarded records should be disposed of in an appropriate manner to protect employee privacy.