

# CAPS PROPOSAL

**Bargaining Unit:** 10

**Date:** May 1, 2018

**Exclusive Representative:** CAPS

**Article:** 6

**Subject:** Business and Travel Expenses

## 6.1 Business and Travel Expenses

The State agrees to reimburse employees for actual, necessary and appropriate business expenses and travel expenses incurred 50 miles or more from home and headquarters, in accordance with existing CalHR rules and as set forth below. Each State agency shall determine the necessity for and method of travel.

Lodging and/or meals provided by the State or included in hotel expenses or conference/registration fees or in transportation costs such as airline tickets or otherwise provided shall not be claimed for reimbursement. Employees who are unable to consume meal(s) provided by the State or included in hotel expenses or conference/registration fees because of time constraints or other considerations such as a reasonable accommodation may be reimbursed, provided an alternate meal was purchased, in accordance with the rates established in Subsection (A)(1) of this Article.

Each item of expenses of \$25 or more requires a receipt; receipts may be required for items of expense that are less than \$25. When receipts are not required to be submitted with the claim, it is the employee's responsibility to maintain receipts and records of their actual expenses, and make them available for audit upon request by their department, state control agencies and/or the Internal Revenue Service. ~~Each State agency shall determine the necessity for and method of travel.~~

- A. **Meals/Incidentals.** Meal expenses for breakfast, lunch and dinner will be reimbursed in the amount of actual expenses up to the agreed upon maximums. Receipts for meals must be maintained by the employee as substantiation that the amount claimed was not in excess of the amount of the actual expense. CalHR must comply with the current IRS definition of "incidentals." The IRS definition of "incidentals" includes fees and tips for porters and baggage carriers. It does not include expenses for laundry, cleaning and pressing of clothing, taxicab fares, lodging taxes or the costs of telegrams or telephone calls.

1. **Rates.** Actual meal/incidental expenses incurred will be reimbursed in accordance with the maximum rates and time frame requirements outlined below.

~~Breakfast — Up to \$7.00~~

~~Lunch — Up to \$11.00~~

~~Dinner — Up to \$23.00~~

~~Incidentals — Up to \$5.00~~

~~Total — Up to \$46.00 (every full 24 hours of travel)~~

| <u>MEAL/INCIDENTAL</u> | <u>REIMBURSEMENT POSSIBLE</u> |
|------------------------|-------------------------------|
| <u>Breakfast</u>       | <u>Up to \$7.00</u>           |
| <u>Lunch</u>           | <u>Up to \$11.00</u>          |

|                             |   |
|-----------------------------|---|
| <u>Dinner</u>               | <u>Up to \$23.00</u>  |
| <u>Incidentals</u>          | <u>Up to \$5.00</u>   |
| <b><u>TOTAL PER DAY</u></b> | <b><u>Up to \$46.00 for every full 24 hours of travel</u></b> |

2. **Timeframes.** For continuous short-term travel of more than 24 hours but less than 31 days, the employee will be reimbursed for actual costs up to the maximum for each meal, incidental, and lodging expense for each complete 24 hours of travel, beginning with the traveler's time of departure and return as follows:

- a) On the fractional day of travel at the end of a trip of more than 24 hours:

~~Trip begins at or before 6 am — breakfast may be claimed~~

~~Trip begins at or before 11 am — lunch may be claimed~~

~~Trip begins at or before 5 pm — dinner may be claimed~~

| <u>TRIP BEGINS AT OR BEFORE</u> | <u>TRIP ENDS AT OR AFTER</u> | <u>MAY BE CLAIMED</u> |
|---------------------------------|------------------------------|-----------------------|
| <u>6 a.m.</u>                   | <u>8 a.m.</u>                | <u>Breakfast</u>      |
| <u>11 a.m.</u>                  | <u>2 p.m.</u>                | <u>Lunch</u>          |
| <u>5 p.m.</u>                   | <u>7 p.m.</u>                | <u>Dinner</u>         |

- ~~b) On the fractional day of travel at the end of a trip of more than 24 hours:~~

~~Trip ends at or after 8 am — breakfast may be claimed~~

~~Trip ends at or after 2 pm — lunch may be claimed~~

~~Trip ends at or after 7 pm — dinner may be claimed~~

If the fractional day includes an overnight stay, receipted lodging may be claimed. No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any 24-hour period.

- b) -c) For continuous travel of less than 24 hours, the employee will be reimbursed for actual expenses up to the maximum as follows:

~~Travel begins at or before 6 am and ends at or after 9 am: Breakfast may be claimed.~~

~~Travel begins at or before 4 pm and ends at or after 7 pm: Dinner may be claimed.~~

| <u>TRIP BEGINS AT OR BEFORE</u> | <u>TRIP ENDS AT OR AFTER</u> | <u>MAY BE CLAIMED</u> |
|---------------------------------|------------------------------|-----------------------|
| <u>6 a.m.</u>                   | <u>9 a.m.</u>                | <u>Breakfast</u>      |
| <u>4 p.m.</u>                   | <u>7 p.m.</u>                | <u>Dinner</u>         |

If the trip extends overnight, receipted lodging may be claimed. No lunch or incidentals may be claimed on a trip of less than 24 hours.

B. **Lodging.** All lodging reimbursement requires a receipt from a commercial lodging establishment such as a hotel, motel, bed and breakfast inn, or public campground that caters to the general public. No lodging will be reimbursed without a valid commercial lodging establishment receipt.

1. Statewide, in all California locations not listed in (2.) below, for receipted lodging while on travel status to conduct state business, actual lodging up to \$90.00 plus applicable mandatory taxes and fees.
2. When employees are required to do business and obtain lodging in the counties identified below, reimbursement will be for the actual receipted lodging up to the below identified maximums, plus mandatory taxes and fees.

| COUNTY  | LODGING RATE                 |
|---|------------------------------|
| All counties except those listed below                                    | <del>\$90</del> <u>\$115</u> |
| <del>Sacramento, Napa, Riverside</del>                                    | <del>\$95</del>              |
| Los Angeles, Orange, Ventura & Edwards AFB, less the city of Santa Monica | \$120                        |
| San Diego, Monterey County, Alameda, San Mateo, Santa Clara               | \$125                        |
| Alameda, San Mateo, Santa Clara (effective July 1, 2016)                  | \$140                        |
| <del>San Francisco</del> , City of Santa Monica                           | \$150                        |
| San Francisco   | <u>\$250</u>                 |

Should the room rate, excluding taxes, exceed the rates noted above an Excess Lodging Rate Approval Request (STD 255C) must be submitted and approved before the trip takes place. CalHR delegates authority to departments to make determinations regarding Excess Lodging Rate Requests up to \$250 per night. Reimbursement of lodging expenses in excess of the specified amounts, excluding taxes, requires advance written approval from CalHR. CalHR may delegate approval authority to departmental appointing powers or increase the lodging maximum rate for the geographical area and period of time deemed necessary to meet the needs of the State. An employee may not claim lodging, meal or incidental expenses within 50 miles of his/her home or headquarters.

C. **Long-term Travel.** Actual expenses for long-term meals and receipted lodging will be reimbursed when the employee, who at the onset of the assignment knows that he/she will be away from the home or headquarters area more than 30 days but less than one year, incurs expenses in one location comparable to those arising from the use of establishments catering to the long-term visitor.

1. Full Long-term Travel: In order to qualify for full long-term travel reimbursement, the employee on long-term field assignment must meet the following criteria:
  - The employee continues to maintain a permanent residence at the primary headquarters, and
  - The permanent residence is occupied by the employee's dependents, or
  - The permanent residence is maintained at a net expense to the employee exceeding \$200 per month. The employee on full long-term travel who is living at the long-term location may claim either:
    - a) Reimbursement for actual individual expense, substantiated by receipts, for lodging, water, sewer, gas and electricity, up to a maximum of \$1130 per

calendar month while on the long-term assignment, and actual expenses up to \$10.00 for meals and incidentals, for each period of 12 to 24 hours and up to \$5.00 for actual meals and incidentals for each period of less than 12 hours at the long-term location, or

- b) Long-term subsistence rates of \$24.00 for actual meals and incidentals and \$24.00 for receipted lodging for travel of 12 hours up to 24 hours; either \$24.00 for actual meals or \$24.00 for receipted lodging for travel less than 12 hours when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to the long-term visitor.

- 2. An employee on long-term field assignment who does not maintain a separate residence in the headquarters area may claim long-term subsistence rates of up to \$12.00 for actual meals and incidentals and \$12.00 for receipted lodging for travel of 12 hours up to 24 hours at the long-term location; either \$12.00 for actual meals or \$12.00 for receipted lodging for travel less than 12 hours at the long-term location.

**D. Out-of-State Travel.**

- 1. For short-term out-of-state travel, State employees will be reimbursed actual lodging, supported by a receipt, and will be reimbursed for actual meal and incidental expenses in accordance with above. If lodging costs exceed ninety dollars (\$90) per night, employees must first obtain and submit three (3) quotes in an effort to obtain the lowest cost lodging. While the employee may choose any of the three establishments, reimbursement will be limited to the lowest of the three (3) quotes. Failure to furnish either quotes or lodging receipts will limit reimbursement to the meal/incidental rate above.
- 2. Long-term out-of-state travel will be reimbursed in accordance with the provisions of Long-term Travel above.

- E. Out of Country Travel.** For short-term out of country travel, State employees will be reimbursed actual lodging, substantiated by a receipt, and will be reimbursed actual meals and incidentals up to the maximums published in column B of the Maximum Travel per Diem Allowances for Foreign Areas, Section 925, U.S. Department of State Standardized Regulations and the meal/incidental breakdown in Federal Travel Regulation Chapter 301, Travel Allowances, Appendix B. Long-term Out of Country travel will be reimbursed in accordance with the provisions of Long-term travel above, or as determined by CalHR.

Subsistence shall be paid in accordance with procedures prescribed by the Department of Human Resources. It is the responsibility of the individual employee to maintain receipts for their actual meal expenses.

- F. Transportation.** Transportation expenses include, but are not limited to airplane, train, bus, and taxi fares, rental cars, parking, mileage reimbursement and tolls that are reasonably and necessarily incurred as a result of conducting State business. Each State agency shall determine the method of and necessity for travel.

Transportation will be accomplished and reimbursed in accordance with the best interest of the State. An employee who chooses and is approved to use an alternate method of transportation will be reimbursed only for the method that reflects the best interest of the State.

1. Mileage Reimbursement:
    - a) When an employee is authorized by his/her appointing authority or designee to operate a privately owned vehicle on State business the employee will be allowed to claim and be reimbursed at the Federal Standard Mileage Rate (FSMR). Mileage reimbursement includes all expenses related to the use, and maintenance of the vehicle, including but not limited to gasoline, up-keep, wear and tear, tires, and all insurance including liability, collision and comprehensive coverage; breakdowns, towing and any repairs, and any additional personal expenses that may be incurred by an individual as a result of mechanical breakdown or collision.
    - b) When an employee is required to report to an alternative work location, the employee may be reimbursed for the number of miles driven in excess of his/her normal commute.
  2. Private Aircraft Mileage: When an employee is authorized by his/her department, reimbursement for the use of the employee's privately owned aircraft on State business shall be made at the rate of \$1.29 per statute mile. Pilot qualifications and insurance requirements will be maintained in accordance with CalHR rule 599.628.1 and the State Office of Risk and Insurance Management.
  3. Mileage to/from a Common Carrier: When the employee's use of a privately owned vehicle is authorized for travel to or from a common carrier terminal, and the employee's vehicle is not parked at the terminal during the period of absence, the employee may claim double the number of miles between the terminal and the employee's headquarters or residence, whichever is less, while the employee occupies the vehicle. Exception to "whichever is less": If the employee begins travel one hour or more before he/she normally leaves his/her home, or ends travel one hour or more after the end of the work day or travel occurs on a regularly scheduled day off, mileage may be computed from/to his/her residence.
- G. **Receipts.** Receipts shall be submitted for every item of expense of \$25 or more. In addition, receipts are required for every item of transportation and business expense incurred as a result of conducting State business except for actual expenses as follows:
1. Railroad and bus fares of less than \$25.00 when travel is wholly within the State of California.
  2. Street car, ferry fares, bridge and road tolls, local rapid transit system, taxi, shuttle or hotel bus fares, and parking fees of \$10.00 or less for each continuous period of parking or each separate transportation expense noted in this item.
  3. Telephone, fax, or other business charges necessary to State business of \$5.00 or less.
  4. Carrier and aircraft fees incurred while traveling on State business within or outside of the State of California including, but not limited to, baggage fees.
  - ~~4.~~ 5. In the absence of a receipt, reimbursement will be limited to the non-receipted amount above.
  - ~~5.~~ 6. Reimbursement will be claimed only for the actual and necessary expenses noted above. Regardless of the above exceptions, the approving officer may require additional certification and/or explanation in order to determine that an expense was actually and

reasonably incurred. In the absence of a satisfactory explanation, the expense shall not be allowed.

- H. **Overtime Meal Allowance.** An overtime meal allowance up to \$7.50 will only be provided when an employee is required to work two (2) consecutive hours prior to or two (2) consecutive hours after the regular work shift. To be eligible for an over-time meal allowance on a holiday or regular day off, employees must work the total number of hours of their regular work shift and work either two (2) consecutive hours prior to or two (2) consecutive hours after the start or end of their regular work shift.