



*Environmental
Quality*

TRAVEL

Policies

&

Regulations

TRAVEL POLICIES and REGULATIONS

STATE OF NORTH CAROLINA

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DEPARTMENT OF ENVIRONMENTAL QUALITY

REVISED: 1-10-17

EFFECTIVE DATE: January 1, 2017

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The policies and regulations in unshaded text below were issued by the Office of State Budget and Management and apply to all state agencies.

DEQ policies and procedures are inserted in shaded areas following each topic as appropriate to ensure DEQ compliance with state policies and regulations, and sound management practices.

5.0.1 Purpose

Statutory regulations for per diem, transportation, and subsistence allowances for state departments, agencies, boards, commissions, committees, and councils are contained in G.S. 138-5, 138-6, and 138-7. It is the intent of this section to provide statements of policy to enable state departments and agencies a comprehensive reference for uniform interpretation to pay or reimburse allowable state travel expenses pertaining to official travel and subsistence.

5.0.2 Employee Responsibility

An employee traveling on official state business is expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Excess costs, circuitous routes, delays, or *luxury accommodations* and services unnecessary, unjustified, or *for the convenience or personal preference of the employee* in the performance of official state business are *not acceptable* under this standard and prohibited.

Employees will be responsible for unauthorized costs and any additional expenses incurred for personal preference or convenience.

The State has authorized the use of credit cards (American Express and Diner's Club) for employees during travel on official state business. These cards are distributed at the discretion of the department head.

Employee misuse of state-issued credit cards is grounds for termination. Pursuant to G.S. 138-6(c), requests for reimbursement shall be filed within 30 days after the travel period ends for which the reimbursement is being requested.

5.0.3 Official State Business

These policies are intended to apply only to those state employees or other person on official state business. Official state business occurs when the State employee or other person is traveling to attend approved job related training, work on behalf of, officially represent, or provide a state service upon the State's request. Travel that would not directly benefit the state will not be reimbursable.

TRAVEL AUTHORIZATIONS

Approval of travel authorizations will follow policy as stated in the DEQ Financial Services Division (FSD) Travel Policy and Regulations. Prior authorization is required for all employees to travel. An employee is considered to be in travel status when away from the normal duty station or home, and while traveling, the employee must be acting in his/her official capacity as required by his/her work activities.

There are two types of authorization forms that can be used to approve employee travel. The Travel Authorization Form is used for each individual trip when an employee needs to travel on state business, such as attending a conference or training. The Annual Travel Status Authorization Form is used for employees in positions where travel is essential and required in their day-to-day job duties as confirmed in the employee's job description.

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The Annual Travel Status Authorization Form describing the travel requirements and designating the specific allowances for each employee must be filed with FSD Accounts Payable Section at the beginning of each fiscal year. Annual Travel Status must be re-authorized annually. Any other travel falling outside the day-to-day job duties and/or specified location(s) must be submitted and approved on a separate individual Travel Authorization Form. For example, if an employee's coverage area is Raleigh, but is asked to go to Asheville for a reason other than what is normally traveled, a separate Travel Authorization Form is required. Or, if an employee has an Annual Status Travel Authorization for performing regular inspections, but needs to attend a conference or training seminar, then a separate Travel Authorization Form is required.

The only travel authorization to be submitted to the Secretary's Office is as follows:

1. Out-of-Country

The only travel authorizations to be submitted to the FSD Budget section for approval are as follows:

1. Charter Aircraft
2. Use of Non-State Facilities
3. Retreats

The only travel authorizations to be submitted to the Division Director for approval are as follows:

1. Excess Hotel
2. Food/Refreshments
3. Out-of-State travel
4. Travel involving 5 or more people
5. Meetings/Training/Conferences
6. Rental Cars
7. Registrations
8. Reimbursement for non-State employees

The Supervising Assistant Secretary may elect to require scanned copies of all approved travel authorizations be sent via email within 24 hours of approval.

5.1 TRAVEL POLICIES FOR STATE EMPLOYEES

5.1.1 Per Diem Compensation

Per Diem compensation is not applicable for state employees only to members of State Boards, Commissions, Committees and Councils who do not receive any salary from state funds for their services.

5.1.2 Subsistence Rates (Meals & Lodging)

Subsistence is an allowance related to lodging and meal costs (including gratuities) (G.S. 138-6).

For purposes of determining eligibility for allowances, travel status means being away from the employee's normal duty station or home and while traveling, the employee must be acting in his/her official capacity as required by his/her work activities.

The maximum allowable statutory rate for meals and lodging is \$105.20 per day for in-state travel and \$120.00 per day for out-of-state travel.

- **The Payment of sales tax, lodging tax, local tax, or service fees applied to the cost of lodging is allowed in addition to the lodging rate and is to be paid as a lodging expense (G.S. 138-6(a)(3)).**

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- **The employee may exceed the part of the ceiling allocated for lodging without approval for over expenditure provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence for which the employee is eligible (according to time leaving and returning, etc.) [G.S. 138-6 (a) (3)].**

The following schedule shall be used for reporting allowable subsistence expenses incurred while traveling on official state business:

	In-State	Out-of-State
Breakfast	\$ 8.30	\$ 8.30
Lunch	\$10.90	\$10.90
Dinner	\$18.70	\$21.30
Lodging (actual, up to)	\$67.30	\$79.50
Total	\$105.20	\$120.00

5.1.3 Tips and Gratuity

Reimbursable gratuity or tips must be considered reasonable for items that are not already covered under subsistence. Excessive tips will not be reimbursed. A reasonable tip would be one that a prudent person would give if traveling or conducting personal business and expending personal funds. Baggage handling tips and other tips (except for meals or food service) may be claimed as "Miscellaneous."

For further guidance, the following information is provided when calculating a tip:

- Airports: Baggage Handling/skycaps = no more than \$2 per bag;
Shuttle Drivers = no more than \$2 per bag.
- Parking/Auto Related: Valets = \$2 per car when collecting the car;
Taxi Drivers = 15% of the fare and \$1 - \$2 a bag.

DEQ employees **will not be reimbursed** for tips of more than \$2.00 per bag round trip or \$1 per bag each way, limited to 2 bags for a maximum total of \$4.00. DEQ employees **will be reimbursed** for the actual cost of checking 2 bags (maximum); receipt is required when filing for travel reimbursement.

5.1.4 Out-of-State Travel

Out-of-state travel status begins when the employee leaves the state and remains in effect until the employee returns to the state. However, in-state allowances and reimbursement rates apply when employees and other qualified official travelers use hotel and meal facilities located in North Carolina immediately prior to and returning from out-of-state travel during the same travel period.

5.1.5 Authorization for Lodging

Prior written approval by the department head or his or her designee must be obtained in order to qualify for reimbursement for overnight stays. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the traveler to substantiate that the overnight lodging was necessary and accomplished. The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station **or home, whichever is less**, to receive approved reimbursement. "Duty station" is defined as the location where the employee is assigned. The designation of an employee's home as the duty station requires the approval of the department head.

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DEQ Division Directors are designated by the Secretary of the Department to approve authorization for lodging. Division Directors may delegate this authority to supervisors as appropriate within their organizational structure. Approval of the "Travel Reimbursement Request" form is acceptable, when there are **no excess charges**. This delegation of authority must be provided to the DEQ Financial Services Division - Controller's Office. For routine business travel, employees must stay within the **total daily rate** for food and lodging. See Excess Lodging section below. **Only the State Budget Officer may grant exceptions.**

5.1.6 Reimbursement for Lodging

Each employee is responsible for his or her own request for reimbursement. The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) **or home, whichever is less**. Requests for reimbursement should be filed within 30 days after the travel period ends for which the reimbursement is being requested (G.S. 138-6(c)). Specific dates of lodging must be listed on the reimbursement request, and **substantiated by a receipt** from a commercial lodging establishment, **not to exceed \$67.30 per night** for in-state lodging or **\$79.50 per night** for out-of-state lodging.

Telephone access fees for business calls are considered a miscellaneous expense. Telephone access fees for personal calls are only reimbursable if they comply with the policy found later in this section.

5.1.7 Excess Lodging

A "Travel Authorization" (form OC10) must be completed **and approved in advance** for each trip involving excess.

Excess Lodging authorization for in-state, out-of-state, and out-of-country travel must be obtained in advance from the department head or his or her designee. Excess lodging is allowed when the employee is in a high cost area and unable to secure lodging within the current allowance, or when the employee submits in writing an opinion that his/her personal safety or security is unattainable within the current allowance. Excess lodging authorization is not allowed for reason of convenience or personal preference for the employee. The employee may exceed the part of the ceiling allocated for lodging without approval from department head of his or her designee provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

5.1.8 Third Party Lodging

Reimbursement for lodging in an establishment that is being rented out by a third party or an establishment treated as an apartment building by state or local law or regulation is not allowed unless approved by OSBM in advance. Requests for third party lodging must provide evidence of savings to the State. An exception may be granted by OSBM for requests that do not show a savings with sufficient justification to support the necessity for third party lodging. Third party lodging agreements are not allowed among family members.

In each case where third party lodging is being considered, the applicant must provide their budget officer and OSBM all details regarding the arrangement, including the amount to be charged, the length of stay, and contact information. A signed rental agreement and documentation of agency budget office and OSBM approval must be presented to receive reimbursement.

Universities or NCSSM designated as special responsibility constituent institutions (SRCI) pursuant to G.S. 116-30.1 may authorize third-party lodging without OSBM approval if the institution develops an internal Third-Party Lodging Policy. This policy must be submitted and approved by OSBM prior to delegation of authority from OSBM. Upon receipt of OSBM approval of the Third-Party Lodging Policy, the institution must make the policy available to all impacted campus employees. At a minimum, the policy must include the following:

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1. Documentation required to show evidence of savings to the State, based on approved in-state and out-of-state lodging rates.
2. Guidelines for determining appropriate comparison hotels when requests exceed State lodging rates, but may still demonstrate evidence of savings to the State.
3. Criteria the campus will follow to grant an exception if the request does not provide evidence of savings to the State.
4. Requirement to gain advance approval and provide a signed rental agreement in order to receive reimbursement.
5. Prohibition of lease agreements with family members.
6. Statement identifying the Chancellor or the Chancellor's designee as the approval authority for all requests.

5.1.9 Penalties and Charges Resulting from Cancellations

Penalties and charges resulting from the cancellation of travel reservations (including airline or hotel reservations and conference registration) shall be the department's obligation if the employee's travel has been approved in advance and the cancellation or change is made at the direction of and/or for the convenience of the department. If the cancellation or change is made for the personal benefit of the employee, it shall be the employee's obligation to pay the penalties and charges. However, in the event of accidents, serious illness, or death within the employee's immediate family or other critical circumstances beyond the control of the employee, the department may pay the penalties and charges.

DEQ Division Directors are designated by the Secretary of the Department to approve payment of penalties and charges when the above conditions are met.

5.1.10 Authorization for Meals

Prior written approval by the department head or his or her designee must be obtained in order to qualify for reimbursement for meals. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the traveler to substantiate that the payment for meals was necessary and accomplished.

DEQ Division Directors are designated by the Secretary of the Department to approve authorization for meals. Division Directors may delegate this authority to supervisors as appropriate within their organizational structure. Approval of the "Travel Reimbursement Request" form is acceptable, when there are no excess charges. This delegation of authority must be provided to the DEQ Controller's Office.

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Per the OSBM Travel Policy, there are only certain instances where meals, specifically lunches, are allowable for reimbursement or can be provided as part of a meeting to state employees. The rules are as follows:

- A state employee cannot be reimbursed for meals, including lunches, **unless on official state business when the employee is in overnight travel status**.
- A state agency **cannot** use state funds to pay for meals for state employees at **external conferences for which a conference fee was not charged**. The only exception provided occurs when all of the following conditions are met:
 - o Federal grants, other grants, state or institutional trust funds may be used for meals if the conditions attached to those funds allow for the provision of meals at meetings;
 - o The agency must have documentation of the conditions that allow for the provision of meals;
 - o Under these circumstances, meals may be provided to state employees even if a conference fee was not charged.
 - o The employee may not request reimbursement for the meal.
- A state agency **cannot** use state funds to pay for meals for state employees at **internal conferences unless overnight travel criteria are met**.
 - o A routine staff meeting is not an internal conference.

*All instances that do not *clearly* meet the above conditions require prior approval from OSBM for exception to the rules.* The detailed meal reimbursement rules are outlined in the relevant sections below.

5.1.11 Reimbursement for Meals

Each employee is responsible for his or her own request for reimbursement. **Tips for meals are included in the meal allowance.** Each meal reimbursement rate must be listed on the reimbursement request. Times of departure and arrival must also be listed on the reimbursement request. The costs of meals included in other related activities (registration fees, conference costs, hotel registration, etc.) may not be duplicated in reimbursement requests. If requested, each employee may be reimbursed for breakfast even if their lodging establishment offers a free continental breakfast.

State rules and guidelines shall take precedence over federal guidelines governing the use of federal grant funds, unless specifically exempted by OSBM in advance.

DEQ Directors/Supervisors approving reimbursement for meals are certifying that all state policies and regulations have been met, and that meal costs are not duplicated.

5.1.12 Meals during Overnight Travel

A state employee may be reimbursed for meals including lunches, while on official state business **when the employee is in overnight travel status**. The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) **or home, whichever is less**.

5.1.13 Meals during Daily Travel

Employees may be reimbursed for meals for partial days of travel **when in overnight travel status** and the partial day is the day of departure or the day of return. The following applies:

- **Breakfast:** depart duty station **prior to 6:00** a.m. (i.e. **does not include** 6:00 a.m. departures) **and extend the workday by 2 hours.**
- **Lunch:** depart duty station prior to Noon (day of departure) or return to duty station after 2:00 p.m. (day of return).

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- Dinner: depart duty station prior to 5:00 p.m. (day of departure) or return to duty station after 8:00 p.m. (day of return) **and extend the workday by 3 hours**.
- The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) or home, whichever is less.

Allowances **cannot be paid** to employees for lunches if travel does not involve an overnight stay; however, employees can be eligible for allowances for the breakfast and evening meals when the following applies:

- Breakfast: depart duty station **prior to** 6:00 a.m., **and extend the workday by 2 hours**.
- Dinner: return to duty station after 8:00 p.m., **and extend the workday by 3 hours**.
- The travel must involve a travel destination located at least 35 miles from the employee's regularly assigned duty station (vicinity) **or home, whichever is less**.
- Allowances for the breakfast and evening meals for employees working nontraditional (2nd and 3rd shifts) while on travel status must have prior approval of the Office of State Budget and Management.

5.1.14 Meals and Day-to-Day Activities

State employees **may not be reimbursed** for meals eaten in conjunction with a congress, conference, assembly, convocation or **meeting**, or by whatever name called, of the employees within a single state department, institution or agency, or between the employees of two or more state departments, institutions or agencies to discuss issues relating to the employee's normal day-to-day business activities.

5.1.15 Meals for Required Employee Attendance

A state employee may be reimbursed for meals, including lunches, when the employee's job requires his attendance at the **meeting of a board, commission, committee, or council** in his official capacity and the meal is preplanned as part of the meeting for the entire board, commission, committee or council. Such board, commission, committee, or council must include persons other than the employees of a single state department, institution, or agency.

5.1.16 Meals and Commercial Air Travel

Employees are allowed to claim reimbursement for meals even though they are shown and offered as a part of one's flight schedule on a commercial airline.

5.1.17 Excess Meals

No excess reimbursement will be allowed for meals unless there are predetermined charges, or the meals were for out-of-country travel. The department head or his or her designee may grant excess subsistence for meals for out-of-country travel.

DEQ Division Directors are delegated authority to approve conference meals within state rates. The Division Director, Assistant Secretary and Secretary must approve all out-of-country travel. Prior approval of a "Travel Authorization" (form OC10) is required. For conferences planned and conducted by DEQ divisions, please see the section on Internal and External Conferences.

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5.1.18 Convention Registration

State law allows reimbursement of the actual amount of convention registration fees as shown by a valid receipt or invoice [G.S. 138-6(a) (4)].

5.1.19 Passports

Reimbursement for costs incurred in obtaining or renewing a passport may be made to an employee who, in the regular course of his duties, is required to travel overseas on official state business. Passport expenses are chargeable to the same fund that supports the employee's trip.

5.1.20 Transportation by Common Carrier

Reimbursement for air, rail, or bus fare is limited to actual coach fare, substantiated by receipt. Reimbursement for check – in fees is limited to actual costs substantiated by receipt.

Employee should ensure the travel is conducted in the most efficient manner and at the lowest and reasonable cost to the State, factoring in the cost of the ticket and any associated charges. Documentation to support the travel options selected must be submitted.

Penalties and Charges Resulting from Cancellations

Penalties and charges resulting from the cancellation of airline reservations (or other travel reservations) shall be the department's obligation if the employee's travel has been approved in advance and the cancellation or change is made at the direction of and for the convenience of the department. If the cancellation or change is made for the personal benefit of the employee, it shall be the employee's obligation to pay the penalties and charges. However, in the event of accidents, serious illness, or death within the employee's immediate family, or other critical circumstances beyond the control of the employee, the department shall pay the penalties and charges.

DEQ Division Directors are designated by the Secretary of the Department to approve payment of penalties and charges when the above conditions are met.

5.1.21 Super Saver Rates

When traveling by common carrier to conduct official state business, employees traveling to their destination earlier than necessary and/or delaying their return to avail the state of reduced transportation rates may be reimbursed subsistence for additional travel days if, in the opinion of the department head or his or her designee, the amount saved due to the early and/or delayed travel is greater than the amount expended in additional subsistence. When the reduced airfare rates require staying overnight one Saturday night, to be eligible for reimbursement, the state employee must stay overnight on the Saturday closest to the first or last day of official state business to which the employee is attending.

With sufficient justification, the department head or his or her designee can make an exception to this requirement prior to travel commencing.

DEQ Division Directors are designated by the Secretary of the Department to approve additional travel days when the above conditions are met. Prior approval of a "Travel Authorization" (form OC10) is required.

5.1.22 Transportation by International Flights

Employees traveling internationally on overseas flights may be reimbursed actual business class fare (substantiated by receipt) with prior approval of the department head or his or her designee.

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For DEQ employees: all international travel must be approved by the Division Director, Financial Services - Budget and the Secretary of the Department. Prior approval of a "Travel Authorization" (form OC10) is required.

5.1.23 Frequent Flyer Miles

Frequent flyer miles earned by a state employee while traveling on state business at state expense ***are the property of the state.*** Frequent flyer miles accumulated by an individual state employee during previous state business trips should, to the extent possible, be used by the state employee accumulating the frequent flyer miles while traveling on future state business trips.

5.1.24 Coupons or Certificates for Reduced Air Fare

Coupons or certificates for reduced air fare if acquired by a state employee while traveling on state business at state expense ***are the property of the State and should be used, to the extent possible, by the state employee on future state business trips.***

5.1.25 Fees and Service Charges

With sufficient justification and documentation and with approval of the department head or his or her designee, state employees can be reimbursed for usual, customary, and reasonable fees and services charges imposed by travel agents for assistance in making travel arrangements.

DEQ Division Directors are designated by the Secretary of the Department to approve payment of fees and service charges when the above conditions are met. Employee should ensure the travel is conducted in the most efficient manner and at the lowest and reasonable cost to the State, factoring in the cost of the ticket and any associated charges. Documentation to support the travel options selected must be submitted.

5.1.26 Transportation by Personal Vehicle

It is the intent of the State that state employee travel shall be conducted in the most efficient manner and at the lowest and most reasonable cost to the state. With regard to passenger vehicle travel, whether in- or out-of-state, agency travel policies shall:

- Maximize utilization of state-owned vehicles (agency-owned or agency-assigned vehicles owned by the Department of Administration),
- Make use of State term contracts for short-term rentals (State Term Contract 975B Vehicle Rental Services), and
- Reimburse for use of personal vehicles on a limited basis.

Agencies are encouraged to establish policies that promote efficient travel, such as ride-sharing. When State-owned resources are not available, the agency may procure vehicles through the State's term contracts or reimburse use of personal vehicles. If a state employee chooses to use a personal vehicle, actual mileage is reimbursable. Mileage is measured from the closer of duty station or point of departure to destination (and return).

A state employee shall be reimbursed the business standard mileage rate set by the Internal Revenue Service (53.5 cents per mile effective January 1, 2017) when using their personal vehicle for state business when the round trip does not exceed 100 miles per day of travel. However, if a state employee chooses to use a personal vehicle when the round trip exceeds 100 miles per day of travel, all departments

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and agencies will reimburse the employee at the business standard mileage rate set by the Internal Revenue Service for 100 miles per day with any additional miles over 100 miles per day of travel reimbursed at the medical or moving purposes rate set by the Internal Revenue Service (17 cents per mile effective January 1, 2017). **OSBM will not consider exceptions to this policy.**

OSBM intends for the mileage reimbursement to be comparable to a rental car scenario where there is a daily rate for the full time the car is rented, regardless of the mileage per day, and the miles are averaged over the number of days of the trip. An easy way to calculate the new policy is to multiple the number of days spent traveling by 100. That number equals the total amount of miles eligible for \$0.535 reimbursement, and anything over that amount receives the \$0.17 reimbursement rate. For instance, on a 3-day trip, 300 miles is reimbursed at the higher rate. If the total mileage for the trip is 305, 300 miles is reimbursed at \$0.535 per mile and 5 miles at \$0.17 per mile.

Parking fees, tolls, and storage fees are reimbursable when the required receipts are obtained. Fines for traffic and parking violations are the responsibility of the state employee.

5.1.27 Transportation by a Rental Vehicle

For both in-state and out-of-state travel, rental vehicles shall be obtained through the State's term contracts when available. Unless prior approval has been obtained from the department head or his or her designee, the state employee shall bear the difference in cost when renting a vehicle from a class that exceeds the cost of a standard vehicle on the State's term contract for short-term vehicle rentals. No reimbursement will be made for rental insurance purchased because state employees are covered under the State's auto insurance program. However, reimbursement for automobile rental insurance will be permitted for individuals engaged in state business during travel to international destinations.

DEQ Division Directors are designated by the Secretary of the Department to approve authorization for rental vehicle. A "Travel Authorization" (form OC10) must be completed for each trip involving vehicle rental. Rental vehicles may be used; however, rental vehicles are not to be used at state expense solely for the convenience or personal preference of the employee. A receipt is necessary for reimbursement.

5.1.28 Transportation by state vehicle

Procedures for obtaining and using state vehicles owned by the Division of Motor Fleet Management (Department of Administration) are set out in the Rules and Regulations provided by that division. Every individual who uses a permanently assigned state-owned passenger motor vehicle, pickup truck, or van to drive between his official workstation and his home shall reimburse the State for these trips at a rate computed by the Department of Administration.

Note: Agencies are allowed one vehicle wash per month for permanently assigned Motor Fleet Management vehicles not to exceed \$15.00. A reimbursable tip no to exceed \$2.00 per wash is allowed with appropriate receipt.

5.1.29 Transportation by Chartered Aircraft

The use of charter aircraft must be approved by the department head or his or her designee provided the following is substantiated and put in writing:

- A state aircraft is not available or not appropriate for the size of the party traveling or the destination airport.

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- The use of a charter flight is more economical than a commercial flight.
- The use of a charter flight is necessary because of unusual travel circumstances.

The Division Director, Financial Services – Budget and the Secretary of DEQ must approve any use of charter aircraft. Prior written approval (form OC10) is required.

5.1.30 Transportation by Use of Aircraft Owned by a State Employee

Reimbursement for costs incurred in the use of aircraft, owned by a state employee, on official state business may be approved by the department head or his or her designee, provided the following is substantiated and put in writing:

- The use of the aircraft owned by a state employee is necessary because of unusual travel circumstances and is not for the sole convenience of the employee who owns the plane.
- The use of the aircraft, owned by a state employee, at the rates published below is cheaper than any other method of air travel.
- The allowable reimbursement rate for aircraft owned by a state employee is \$.68 per mile per passenger.

The Secretary of DEQ must approve the use of a personally owned aircraft. Prior written approval (form OC10) is required.

5.1.31 Non-state Employee Riders

Non-state employees may accompany state employees in state-owned vehicles when they have a business interest in the purpose of the trip and their presence is related to state business. Students of state universities, colleges, and institutions may be passengers in state-owned vehicles to attend athletic events and other activities officially sanctioned by the institution, provided the proper account is reimbursed at the standard mileage cost rate by the student activity fund involved. Spouses and children of state employees may accompany them in state-owned vehicles, if ample space is available and all travel is strictly for official state business [G.S. 143-341.8(i)(7)]. Hitchhikers are not permitted to ride in state-owned vehicles.

5.1.32 Transportation by State Vehicle at Destination

At the employee's destination, state-owned vehicles may be used prudently for travel to obtain meals, but not for private purposes or for entertainment while off duty. No common carrier or public transportation fares are reimbursable on a trip on which an employee uses a state-owned vehicle, unless it is shown that such transportation was more economical in a particular situation.

5.1.33 Commuting

No reimbursement shall be made for the use of a personal vehicle in commuting from an employee's home to his duty station. (No mileage reimbursement is allowed to employees on "call back" status. For the state's policy on compensation to employees on "call back" status, see the State Personnel Manual.)

Tolls

Toll charges will be reimbursed if the use of a toll road results in more efficient travel. Divisions should be monitoring their usage of any toll roads.

For employee reimbursements, please include a justification stating this was the most efficient route and a reason if you have no receipt.

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5.1.35 Travel to/from Airport at Employee's Duty Station

Reimbursement for travel between the employee's duty station or home (whichever is less) and the nearest airline terminal (or train/bus station if applicable) and for appropriate parking may be made under the following circumstances. For travel by:

- Taxi or Airport Shuttle – Actual costs with receipts.
- Private car - the business standard mileage rate set by the Internal Revenue Service for a maximum of two round trips with no parking charge, or for one round trip with parking charges. Receipts are required for airport parking claims.
- Use of Public Transportation – In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts \$5 for each one-way trip from the airport to hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

5.1.36 Travel to/from Airport at Employee's Destination

Reimbursement for travel to and from the airline terminal (or train/bus station if applicable) at the employee's destination may be made where travel is via most economical mode available as listed below:

- Taxi or Airport Shuttle service – Actual costs with receipts.
- Rental vehicles - may be used with the prior approval of the department head or designee; however, rental vehicles may not be used for the sole convenience of the employee (receipt required).
- Use of Public Transportation – In lieu of using a taxi or airport shuttle, employees can be reimbursed without receipts \$5 for each one-way trip from the airport to hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

Authority to approve the use of a rental vehicle is delegated to the Division Director only.

5.1.37 Parking

Parking expenses are reimbursable while in the course of conducting official State business as long as such expenses are determined reasonable and clearly show that there was care taken to keep the costs the State as low as possible. Any parking rates considered excessive and only for the convenience of the traveler will not be reimbursable. An example of excessive or inappropriate parking would be the use of an airport's hourly parking lot for an overnight trip.

DEQ employees should use the least expensive form of transportation to/from airports. This will vary depending on the cost of taxis or shuttles, and the length of time a personal vehicle would be parked at the airport. Use of a private car must also be less expensive than the use of a state vehicle. **Parking at RDU airport not to exceed \$7 per day with receipt.**

5.1.38 Travel Involving Trips Other than to and from the Airport

The actual cost of taxi and shuttle service fares (receipt required) is reimbursable when required for travel on official state business. The request must be documented with a receipt. The use of public transportation is reimbursable for actual costs with a receipt.

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5.1.39 Authorization for Out-of-Country Travel

All out-of-country travel must be authorized by the department head or such department official designated by him or her.

Out-of- country travel status begins when the employee leaves the country and remains in effect until the employee returns to the country. If the employee and other qualified official travelers use hotel and meal facilities located outside North Carolina, but within the continental United States, immediately prior to and upon returning from out-of-country travel but during the same travel period, out-of-state subsistence rates shall apply.

For DEQ employees, all international travel must be approved by the Division Director, Financial Systems - Budget, and the Secretary of the Department. Prior approval of a "Travel Authorization" (form OC10) is required.

5.1.40 Travel Advances

All employees who travel on state business may be issued advances when authorized by the department head or his or her designee in order that personal funds will not be required. Fiscal records must be maintained by the department for proper control.

Eligibility for advances and reporting requirements are as follows:

- **State Employees who have been issued state credit cards** for travel purposes should not be issued travel advances, unless there is substantiated justification.
- **Travel advances for occasional travel** must not exceed the estimated cost of the trip and may not be issued more than five working days prior to the date of departure. Advances must be deducted from the reimbursement request on the travel expense report which shall be submitted within 30 days after the travel period or May 31, whichever comes first.
- **Travel advances for regularly scheduled travel** for employees who travel each month, and permanent/annual advance of funds equal to the average monthly expense may be made. All reimbursement requests shall be filed and paid monthly for incurred expenses and the advance must be repaid as of June 30 annually or earlier if required by the agency. If it is determined that the monthly reimbursement has averaged less than the permanent/annual advancement, the advance must be reduced to the newly established amount.

DEQ Division Directors are delegated authority to approve the issuance of travel advances within the above regulations (use form OC7). Division Directors may delegate authority to supervisors, as appropriate within their organizational structure. This delegation of authority must be provided to the DEQ Controller's Office. Travel Advances will not be issued for the month of June.

5.2 TRAVEL POLICIES FOR STATE OFFICIALS

5.2.1 Political Functions

State officials, both elected and appointed, sometimes attend political functions or meetings. The following policies are intended to be guidelines for the payment from state funds for travel and subsistence costs surrounding the attendance of state public officials at political functions or meetings:

5.2.2 Travel Related to a Political Function

No state funds may be used to pay travel and/or subsistence costs for a state official while attending a political function or meeting. In the event a state-owned aircraft is used, the reimbursement rate will

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be the actual operating cost rate per flight hour. If a state-owned vehicle is used, the reimbursement rate to the state will be the motor pool rate.

5.2.3 Travel Related to Official State Business that includes Political Functions

If a trip includes both official state business and political functions or meetings, state funds may be used to pay up to one-half of the travel and/or subsistence costs. In the event that a state-owned aircraft is used, the cost to the state will be charged at the regular rate per flight hour and the charge to a non-state source will be at the actual operating cost rate per flight hour. If a state-owned vehicle is used, the reimbursement rate to the state will be the motor pool rate.

5.2.4 All Other Travel

Travel reimbursement policies and regulations for all other travel for state officials is the same as for state employees.

5.3 TRAVEL POLICIES FOR MEMBERS OF STATE BOARDS, COMMISSIONS, COMMITTEES, AND COUNCILS

(Other than Licensing Boards and Members of the General Assembly)

5.3.1 Per Diem Compensation

Pursuant to G.S. 138-5(a) (1), non-state employees who are members of state boards, commissions, committees, and councils shall receive \$15 per *day of official service*. State employees and members of all state boards, commissions, and councils whose salaries or any portion of whose salaries are paid from state funds shall receive no per diem compensation from state funds for their services. It is the responsibility of the fiscal officer of the Board, Commission, Committee, or Council to insure that such per diem compensation is not paid to state employees.

- OSBM has clarified this to define “day of official service” as the day(s) that meetings are held. If members travel on days before or after the meeting, they may not receive per diem for the “travel only” days.

For Example:

If a member of a board travels from Asheville to Raleigh on Wednesday for a board meeting on Thursday and returns on Friday, they would only receive per diem for Thursday (the day of the meeting).

5.3.2 Subsistence

Meal subsistence for non-state employee members of state boards, councils, commissions, or committees is a daily, lump-sum allowance payable per day of official service provided that meals are not furnished.

The subsistence reimbursement for actual lodging expenses must be documented by a receipt of actual lodging expenses from a commercial establishment.

Meals and lodging are to be reimbursed as follows:

In-State Travel:

- **\$37.90** for meals (less subsistence for any meal furnished- see Section 5.1.2 for schedule). No overnight stay is required.
- Actual expenses up to **\$67.30** lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.

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Out-of-State Travel:

- **\$40.50** for meals (less subsistence rate for any meal furnished – see Section 5.1.2 for schedule). No overnight stay is required.
- Actual expenses up to **\$79.50** lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.
- OSBM has clarified this to define “day of official service” as the day(s) that meetings are held. For the "travel only" days, they will be reimbursed in exactly the same manner as regular state employees.

5.3.3 Excess Subsistence

Authorization for excess expenses for in-state or out-of-state travel may be granted by the department head or his designee (division director or board chairperson) when such costs are included in registration fees and/or there are predetermined charges.

5.3.4 Authorization for Out-of-State travel

Expenses for out-of-state travel on official business shall be reimbursed only upon authorization obtained in the manner prescribed by regulations governing out-of-state travel for state employees.

5.3.5 Transportation

Transportation policies and regulations are the same as for those for state employees, except that a mileage reimbursement rate set by any other law by reference to G. S. 138-6(a) (1) is established at **25 cents a mile, not the IRS rate.**

5.3.6 Subsistence of State Employees Serving as Board Members

As allowed under G.S. 138-6, a state employee who is a member of a state board, commission, committee or council that operates from funds deposited with the State Treasurer, may be reimbursed for actual cost of any meal (including lunch) eaten while on official state business if the meal is preplanned as part of the meeting for the entire board, commission, committee, or council. However, when an overnight stay is required, the state employee is limited to a daily reimbursement as follows:

Subsistence

In-State Travel

- **\$37.90** for meals
- Actual expenses up to **\$67.30** lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.

Out-of-State Travel

- **\$40.50** for meals
- Actual expenses up to **\$79.50** lodging documented by a receipt of actual lodging expenses for a commercial lodging establishment.

5.3.7 No Overnight Stay

When an overnight stay is not required, the state employee is allowed actual cost of any meal (including lunch) eaten while on official state business if the meal is preplanned as part of the meeting for the entire board, commission, committee or council.

5.3.8 Other Meals

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If the employee is eligible for reimbursement for any other meal, that reimbursement is limited by the same reimbursement amounts and regulations as those allowed for in-state and out-of-state travel by a state employee who is not a member of a state board, commission, committee, or council.

5.3.9 Meetings

Refreshments, i.e., coffee, soft drinks, cookies, doughnuts, may be served at official board meetings. Reimbursement may be paid from state funds for actual cost not to exceed \$4.50 per member and required staff, per meeting per day. "Required Staff" shall be defined as an employee who, in the regular course of his duties, is expected to attend the meeting and any other employee whose presence is necessary to accomplish a purpose of the meeting.

Meetings that do not last all day are not entitled to full day reimbursement. Half day meetings are only reimbursable up to \$2.25, per member and required staff, per meeting per day.

5.5 TRAVEL POLICIES FOR LICENSING BOARDS (OTHER THAN STATE EMPLOYEES)

5.5.1 Per Diem Compensation

Pursuant to G.S. 93B-5, non-state employee members of licensing boards shall receive \$100.00 per day of official service. State employees and members of all licensing boards whose salaries or any portion of whose salaries are paid from state funds shall receive no per diem compensation from state funds for their services. It is the responsibility of the budget officer of the licensing board to insure that such per diem compensation is not paid to state employees.

OSBM has determined that board and commission members may receive per Diem only for the days that meetings are held. If members travel on days before or after the meeting, they may not receive per diem for the "travel only" days.

5.5.2 Subsistence

Subsistence policies and regulations are the same as for those for state employees.

5.5.3 Convention Registration

Convention registration policies and regulations are the same as for those for state employees.

5.5.4 Transportation

Transportation policies and regulations are the same as for those for state employees, except that a mileage reimbursement rate set by any other law by reference to G. S. 138-6(a) (1) is established at 25 cents a mile, not the IRS rate.

5.5.5 Meetings

Refreshments, i.e., coffee, soft drinks, cookies, doughnuts, may be served at official board meetings. Reimbursement may be paid from state funds for actual cost not to exceed \$4.50 per member and required staff, per meeting per day. "Required Staff" shall be defined as an employee who, in the regular course of his duties, is expected to attend the meeting and any other employee whose presence is necessary to accomplish a purpose of the meeting.

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5.6 TRAVEL POLICIES FOR MEMBERS OF THE GENERAL ASSEMBLY SERVING ON STATE BOARDS, COMMISSIONS, COMMITTEES, AND COUNCILS

5.6.1 Per Diem Compensation

Pursuant to G.S. 120-3.1, per diem compensation is not applicable.

5.6.2 Subsistence

A member of the General Assembly shall receive a subsistence allowance for meals and lodging at a daily rate (which is currently \$104) equal to the maximum per diem rate for federal employees traveling to Raleigh, N.C., as set out at 58 Federal Register 67959 (December 22, 1993), while the General Assembly remains in session, and, except as otherwise provided in this subsection when, with the approval of the Speaker of the House in the case of Representatives or the President Pro Tempore of the Senate in case of Senators, the member is:

- Traveling as a representative of the General Assembly or of its committees or commissions.
- Otherwise in the service of the state.

5.6.3 Excess Subsistence

A member who is authorized to travel, whether in or out of session, within the United States but outside of North Carolina may elect to receive, in lieu of the amount provided in the preceding paragraph, a subsistence allowance of twenty-six dollars (\$26.00) a day for meals, plus actual expenses for lodging when evidenced by a receipt satisfactory to the Legislative Services Officer, not to exceed the maximum per diem rate for federal employees traveling to the same place, as set out at 58 Federal Register 67950-67964 (December 22, 1993) and at 59 Federal Register 23702-23709 (May 6, 1996) [G.S. 120-3.1(a)(3)b].

5.6.4 Transportation

A member will receive a travel allowance at the rate equal to the business standard mileage rate set by the Internal Revenue Service whenever the member travels, whether in or out of session, as a representative of the General Assembly or of its committees or commissions, with the approval of the Legislative Services Commission.

5.6.5 Convention Registration

Convention registration policies and regulations are the same as for those for state employees.

5.7 TRAVEL POLICIES FOR NON-STATE EMPLOYEES

5.7.1 Non-state Employees

For the purposes of this section, non-state employees are those on official state business whose expenses are paid by the State and subject to state regulations, such as prospective professional employees, public school and community college employees, students on official state business, and attendants of handicapped state employees traveling on official state business (provided advance approval is obtained from department head or designee).

Non-state employees traveling on official state business whose expenses are paid by the state are subject to these regulations, including statutory subsistence allowances, to the same extent as are state employees. Travel expenses for members of a non-employee's family are not eligible to be paid by the state. No travel advances will be made to non- state employees.

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5.7.2 Prospective Professional Employees

A department head or his or her designee is authorized to approve reimbursement of transportation expenses of prospective professional employees visiting state departments for employment interviews. These expenses are limited to transportation and subsistence for 3 days (5 days if one is a Saturday) at the in-state rate. Excess lodging expenses may be approved by the department head or his or her designee.

DEQ Division Directors (only) are delegated authority to approve reimbursement of travel expenses of prospective professional employees, within the above regulations.

5.7.3 Post-secondary Students

Student travel expenses while working as an employee of the State are considered official state business when traveling on behalf of their position and shall be paid from the same source of funds from which the employee is paid. Non-employee students at state institutions who travel on official state business are reimbursed from the General Fund consistent with payments for state employees. Non-employee students who travel to fulfill a course requirement for academic credit and whose expenses are paid or reimbursed by the General Fund are subject to these regulations, including statutory allowances, to the same extent as are state employees. Funds specifically appropriated or legally directed for student travel are authorized to be used for student travel expenses. Official state business is defined in Section 5.0.3.

Approval for non-employee General Fund student travel to fulfill course requirements for academic credit must have written prior approval of the Vice Chancellor for Finance or his/her designee.

The purchase of food or beverage for students at higher education institutions is not allowable unless the student is in travel status. However, non-General Funds may be used for these purposes if such funds have been established and authorized for such purposes.

5.7.4 Attendants

Payment of travel and subsistence expenses (motel and meal costs) for attendants for handicapped employees while traveling on official state business may be reimbursed to the same extent as are state employees if advance approval is obtained from the department head or his or her designee.

5.7.5 Expert Witness Fees

Any person who is used by any state department, agency, commission, committee, licensing board, or council as an expert witness may be reimbursed by said group a fee agreed upon by both parties. All travel costs will be reimbursed the same as for state employees.

5.8 CONFERENCES, SEMINARS, WORKSHOPS, TRAINING SESSIONS AND RETREATS

5.8.1 External Conference Definition

External conferences are those that involve the attendance of persons other than the employees of a single state department, institution or agency. Payment for meals is allowable if included in the registration fee, but such fee must not consist exclusively of meals or it will not be allowable unless meeting overnight travel criteria. The registration fee is typically made for defraying the cost of speakers, building (room) use, handout materials, breaks and lunches at conferences and conventions. These fees are charged to Account 532930 - "Registration Fees." The agency may require itemizations and/or documentation of expenses. Conferences sponsored or co-sponsored by a state department are authorized when they meet the limitations and requirements listed below.

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5.8.2 Exception Regarding Conference Meals

Pursuant to G.S. 138-6(a)(3), a university or State agency cannot use funds to pay for conference meals for state employees at which a conference fee was not charged, unless the following conditions are met:

Federal grants, other grants, state or institutional trust funds (as defined in G.S. 116-36.1) may be used for meals if the conditions attached to those funds allow for the provision of meals for a conference. The university or agency must have documentation of the conditions. If this is the case, then meals may be provided to state employees even if a registration fee was not charged. The employee may not request reimbursement for the meal.

5.8.3 Requirements and Limitations for External Conferences

The conference is planned in detail in advance, with a formal agenda or curriculum.

There is a written invitation to participants, setting forth the calendar of events, the social activities, if any, and the detailed schedule of costs.

Assemblies should be held in state facilities; however, non-state facilities can be rented and the cost charged to a state agency without allocation to participants' daily subsistence allowances.

Registration fees may be charged by the sponsoring department to participants for costs of external conferences.

DEQ divisions must obtain the written approval of the Division Director entering into any agreement with a non-state facility.

Any registration fees collected in excess of the actual cost of a conference are required to revert the General Fund. Therefore, a budget of estimated expenses must be prepared for all conferences planned by DEQ divisions, and a registration fee to cover these estimated costs may be charged.

Registration fees may not include costs of entertainment, alcoholic beverages, setups, flowers, and/or promotional (gift) items.

Registration fees collected and not used to defray expenses of the particular conference may not be used for other programs and must revert to the general or highway fund as applicable (G.S. 138-6(a) (4)).

Sponsoring departments may provide refreshments for "coffee breaks" provided there are twenty or more participants and costs do not exceed four dollars and fifty cents (\$4.50) per participant per full day.

Half-day activities are limited to \$2.25 per participant per day.

When assemblies are to be held under the sponsorship of a state department in which the funding for all participants is budgeted, lump-sum payments to a conference center or an organization may be made upon written authorization from the department head or his or her designee. The authorization must provide the following:

- The purpose and duration of the conference.
- The number of persons expected to attend.
- The specific meals to be served at the conference (law prohibits lunches being provided to state employees unless registration fees are charged to all attendees).
- The approximate daily subsistence cost per person.

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- The name of the conference center, hotel, caterer, or other organization providing the service.

It is the responsibility of the departments to ensure that reimbursement for meals included in the lump-sum payment is not also included in reimbursement payments made to state employees who are conference participants.

5.8.4 Internal Conference Definition

Internal conferences are those that involve the attendance of employees within that particular department, institution or agency only. **No payment for meals is allowable unless overnight travel criteria are met. A routine staff meeting is not an internal conference.**

5.8.5 Requirements and Limitations for Internal Conferences

- The conference is planned in detail in advance, with a formal agenda or curriculum.
- There is a written invitation to participants, setting forth the calendar of events and the detailed schedule of costs.
- **No excess travel subsistence may be granted for internal departmental meetings, conferences, seminars, etc., and such meetings must be held in state facilities when available.** No registration fee may be charged.
- Sponsoring departments may provide refreshments for "coffee breaks" provided there are twenty or more participants and costs do not exceed four dollars and fifty cents (\$4.50) per participant per day.

Half-day activities are limited to \$2.25 per participant per day.

- A department cannot use State funds to provide promotional or gift items to be distributed at the conference.
- A department cannot use State funds to support or underwrite a rally, celebration, reception, employee appreciation activity, or similar function.
- A department cannot use state funds to support or underwrite a meeting, assembly, conference, seminar, rally, celebration, or similar function by whatever name called that promotes any cause or purpose other than the mission and objective of the department.

5.8.6 Training Session Definition

Employee training involves courses that develop an employee's knowledge, skill, and ability to perform the duties of his/her present job, such as, courses on computer usage or management skills development. These courses generally have a set fee, are of relatively short duration, and are not part of a curriculum the employee is participating in leading to an educational degree.

5.8.7 Requirements and Limitations for Training Sessions

- Fees for training courses that provide training in specific areas are charged in the Accounting system to "Employee Training" under "Other Services."
- Departments sponsoring training sessions may provide refreshments for "coffee breaks" provided there are twenty or more participants and costs do not exceed four dollars and fifty cents (\$4.50) per participant per day.

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Half-day activities are limited to \$2.25 per participant per day.

- Departments may reimburse employees for training books and materials related to training sessions, provided those books are required to participate in the training sessions. These books are considered property of the department and not the personal property of the employee.

5.8.8 Management Retreat Definition

A management retreat is a meeting or series of meetings consisting of a department or division head and his or her top assistants and coworkers. Retreats are sometimes held at a site other than the usual workplace and *are held no greater than once a year.*

5.8.9 Requirements and Limitations for Management Retreats

State employees who are elected by a vote of the people or appointed by the governor, the president of The University of North Carolina, the chancellors of the constituent institutions of the university, the executive director of University of North Carolina Hospitals at Chapel Hill, chairman of the State Board of Education, and the president of the Community College System may authorize an annual management retreat.

Expenditures are permissible in a manner as if it were an internal conference.

5.9 INFORMAL MEETINGS WITH GUESTS OF DEPARTMENT HEADS

5.9.1 Informal Meeting Definition

An informal meeting is a meeting consisting of a department head and his or her designee and non-state employees during which official state business is discussed for the majority of the meeting. Informal meetings are one-time occurrences and are not held on a recurring or routine basis.

5.9.2 Requirements and Limitations for informal meetings

State employees who are elected by a vote of the people or **appointed by the governor**, the president of The University of North Carolina, the chancellors of the constituent institutions of the university, the executive director of University of North Carolina Hospitals at Chapel Hill, chairman of the State Board of Education, and the president of the Community College System, **or their designee** when given prior written approval by the department head for a specific event, may be reimbursed from state funds for **actual costs of meals** for themselves and individuals who are not state employees who are their guests, when accompanying them in the course of conducting official state business.

- *Cost of meals and other expenses for family members of the above referenced state officials are not reimbursable.*

5.10 TELEPHONE CALLS

5.10.1 Long Distance

Employees are **not allowed** to charge long distance phone calls to the state for calls made of a **personal nature**, except as stated below. All long distance calls that are to be paid by the state are those made pursuant to the employee conducting official state business.

5.10.2 Reimbursement

Official phone calls are reimbursable under "Miscellaneous." Individual calls over \$5.00 must be identified as to point of origin and destination.

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5.10.3 Allowable Personal Calls

An employee who is in travel status for **two or more consecutive nights in a week** is allowed **one** personal long distance telephone **call for each two nights** for which reimbursement to the employee may not exceed \$3.00 for each in-state call or \$5.00 for each out-of-state call. **Documentation is required for reimbursement.**

5.10.4 Employee emergency calls

Employees may use the state network system, state credit card, or may be reimbursed for a personal long distance call(s) if such call(s) is/are of an emergency nature as determined by the department. An example is a call made when an employee calls home to inform someone that the travel period has been extended beyond original plans due to unforeseen reasons.

Repayment

Any Personal long-distance phone calls that are charged on a state invoice shall be repaid to the state within two weeks of notification. Failure to remit payment to the state may result in disciplinary action, up to and including dismissal.

5.10.5 Mobile Telephones

Because mobile telephone charges (cellular and digital) are based on measured use, **no personal calls should be made on mobile telephones except in case of emergency** as determined by the department. *Mobile telephone calls to conduct official state business should only be used when more economical means of telephoning are not reasonably available.*

If an employee uses his/her personal mobile telephone in conducting state business, the employee can be eligible for reimbursement. In order for the agency to reimburse the employee, the **employee must indicate on his/her telephone bill the reimbursable calls, individuals called and nature of calls and submit the telephone bill to their supervisor for approval.** If the supervisor approves the calls as state business related, the agency will reimburse the actual billed cost of the call.

When the department pays the bill, the employee will use the phone as determined by the department to be most efficient.

5.10.6 Use of Telephone with Computer Hook-ups

Employees traveling on State business who need to transmit data electronically (including email) or use the Internet for State business purposes should use the most cost-efficient manner available, including services available through the State's Information Technology Services (ITS) access.

5.10.7 Exceptions

Any exception to the rules and regulations as herein stated in the State Budget Manual, except those expressly delegated, must be approved *in advance* by the Office of State Budget and Management.

5.11 MOBILE COMMUNICATION DEVICE

5.11.1 Mobile Communication Device

Employees whose job duties include the frequent need for a mobile communication device (MCD) may be assigned a state-owned device or may receive an allowance for the use of an employee-owned device. For the purpose of this policy a MCD is any device that provides two-way communication.

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5.11.2 State-owned Devices

Any State agency or institution may elect to acquire and provide a mobile communication device to an employee upon justification of necessity and approval from the proper internal authority. A statewide term contract has been executed and all executive State governmental agencies must use this contract, while other State entities may use this contract when purchasing MCD and/or services (Statewide IT Contracts).

5.11.3 Employee-owned Devices

Any State agency or institution may elect to provide an allowance to an employee for the business use of their personal MCD. The following requirements must be followed:

1. MCD allowances are provided only for individuals required to maintain personal cell phones for substantial non compensatory business reason. Examples of required substantial non compensatory business reasons include: (1) the agency/institution's need to contact the employee at all times for work-related emergencies; or (2) the agency/institution's requirement that an employee be routinely available to speak with legislators or other elected officials, community leaders, or customers at times outside the normal work schedule or at times when the employee is away from the duty station.
2. State agencies and institutions must develop an initial business case for the user of MCD allowance. The business case must demonstrate the following:
 - a. The use of a MCD allowance in lieu of a state-issued device produces a savings to the State.
 - b. Specifically, the calculated savings must show not only an overall savings to the organization as a result of transferring impacted employees from stat-issued devices to a monthly allowance; but the savings must be demonstrated for a substantial majority of the impacted individual employees, (i.e., while significant savings for one or two individuals may be sufficient to generate overall savings for an agency, the agency must still show that most employees generate some level of savings).
 - c. The basis for comparison to an MCD allowance is the current statewide term contract price of the most conservative plan that meets the employee's job requirements. (Statewide entities not required to use the State IT contract may substitute locally negotiated contract prices for comparison.)
3. The business case must be submitted and approved by OSBM prior to the implementation of a MCD allowance policy. Concurrently, the agency's internal policies and procedures for the MCD allowance must be submitted to OSBM.
4. State agencies and institutions must develop a flat or tiered allowance, based upon the volume of use, for the business user of personal MCDs.
5. Necessity of a MCD allowance must be justified, documented and approved by the proper internal authority.
6. Each individual MCD allowance must be reviewed and justified every fiscal year.
7. Each employee who receives a MCD allowance must provide documentation, such as an annual contract or a monthly billing statement, which shows that the allowance does not exceed expenses the employee actually incurs in maintaining the device. This documentation should be provided at least annually to the proper internal authority. If the documentation shows that the employee's allowance must be reduced to a lower tier, so that the allowance does not exceed expenses incurred by the employee.

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MCD records could be subject to the North Carolina public records law (General Statute 132).

An employee receiving a MCD allowance may not be reimbursed for business or personal calls allowable during travel status as outlined in section [5.10 Phone Calls](#).

Definitions

Employee's Duty Station

"Duty station" is defined as the headquarters or job location at which the employee spends the majority of his or her working hours [G.S. 138-6(a) (1)]. For an employee in travel status, the duty station should be the point where traveling begins the majority of the time (home or office). The designation of an employee's home as the duty station by a department head requires *prior approval* by the Office of State Budget and Management (OSBM) on an annual basis. (For additional information, see on Designation of Duty Station Report.)

DEQ's Financial Services Division will coordinate all requests for designation of an employee's home as the duty station with the Secretary and will file all reports required by OSBM.

Departments, institutions, and agencies must make one submission for the entire department, institution or agency by the second week in December of each preceding calendar year of all employees whose home is also their duty station.

When hiring new employees or designating the home as the duty station of current employees during the calendar year, a revision to the annual report must be submitted to OSBM for its prior approval.

Employees assigned to regional offices or who are living in state-owned facilities should not be listed on the report.

External Conference

External conferences are those that involve the attendance of persons other than the employees of a single state department, institution, or agency. Payment for meals is allowable if included in the registration fee, but fee must not consist exclusively of meals or it will not be allowable unless meeting overnight travel criteria.

Informal Meeting

An informal meeting is a meeting consisting of a department head and his or her designee and non-state employees during which official state business is the discussed for the majority of the meeting. Informal meetings are one-time occurrences and are not held on a recurring or routine basis.

Internal Conference

Internal conferences are those that involve the attendance of employees within that particular department, institution, or agency only. No payment for meals is allowable unless overnight travel criteria are met. A routine staff meeting is not an internal conference.

Management Retreat

A management retreat is a meeting or series of meetings consisting of a department or division head and his or her top assistants and coworkers. Retreats are sometimes held at a site other than the usual workplace and are held no greater than once a year.

Out-of-Country Travel

Out-of-country travel status begins when the employee leaves the country and remains in effect until the employee returns to the country. If the employee and other qualified official travelers use hotel and meal

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facilities located outside North Carolina immediately prior to and upon returning from out-of-country travel but during the same travel period, out-of-state subsistence rates shall apply.

Out-of-State Travel

Out-of-state travel status begins when the employee leaves the state and remains in effect until the employee returns to the state. However, in-state allowances and reimbursement rates apply when employees and other qualified official travelers use hotel and meal facilities located in North Carolina, but within the continental United States, immediately prior to and returning from out-of-state travel during the same travel period.

Per Diem Compensation

Applicable only to members of state boards, commissions, committees and councils who do not receive any salary from state funds for their services.

Registration Fees

The registration fee is typically made for defraying the cost of speakers, building (room) use, handout materials, breaks and lunches at conferences and conventions. These fees are charged to other services "Registration Fees." The agency may require itemization and/or documentation of expenses. An employee cannot be reimbursed for meals included in a registration fee.

Required Staff

Required staff is a state employee who, in the regular course of his or her duties is expected to attend the meeting and any other state employee whose presence is necessary to accomplish a purpose of the meeting.

Subsistence (Meals and Lodging)

Subsistence is an allowance related to lodging and meal costs, and gratuities thereon. General Statute 138-6 provides for allowances to be paid in amounts or rates specified.

For purposes of determining eligibility for allowances, travel status means being away from the employee's normal duty station. The duty station is defined as the location or near vicinity of the employee's work place. To be eligible for allowances in connection with travel, the employee must be acting in official capacity as required by his/her work activities.

Training Session

Employee training involves courses that develop an employee's knowledge, skill, and ability to perform the duties of his/her present job, such as, courses on computer usage or management skills development. These courses generally have a set fee, are of relatively short duration, and are not part of a curriculum the employee is participating in leading to some educational degree.

Transportation

Includes personal automobile, taxi, bus, train, airplane, motor pool charges, auto rental, tolls, and parking fees. All travel expenses must be incurred by and for state employees or other eligible travelers in conducting official state business in order to be eligible for reimbursement.

When travel by car is determined to be feasible, a state-owned vehicle, when available, should be used instead of a private vehicle. State departments must determine whether or not state-owned vehicles are considered to be available. State departments must periodically review employee duty stations (see paragraph above on "Duty Station") for the purposes of determining cost effectiveness of having a state vehicle permanently assigned to the geographical area (department/institutions duty station location or

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vicinity). If found to be cost-effective, state-owned vehicles should be requested for assignment on a permanent basis.

Travel Period

Travel period is defined as the first day an employee enters travel status through the last day of travel status for each individual business trip. Travel reimbursement forms are due in the calendar month after which the travel ended – except at year-end when all travel reimbursements must be submitted by May 31.