

I. Vending & Concession Activities

The board of trustees of each college shall adopt local policies consistent with [G.S. 115D-58.13](#) for the budgeting, accounting and expenditure of funds generated through vending machines and other convenience concession activities. Funds generated through vending facilities, vending machines, and other convenience concession activities shall not be used to supplement the salary of any college president.

II. Travel

A. Purpose of Regulations

Statutory regulations for per diem, transportation, and subsistence allowances for state contained in [G.S. 138-5](#), [G.S. 138-6](#), and [G.S. 138-7](#) apply to community colleges and their boards of trustees. It is the intent of this section to provide statements of policy for uniform interpretation to pay or reimburse allowable state travel expenses pertaining to official travel and subsistence for official college business.

Notice that this is for *state* travel expenses, and colleges have broad authority to use local funds within the constraints, if any, for those sources of funds. Business officers are reminded that state travel policies are designed to remain compliant with Internal Revenue Code, and any additional level of funding paid from local funds may exceed the IRS allowable limits. In these cases, additional amounts paid becomes taxable to the recipient.

B. Official College Business

Official college business occurs when an employee or other person is traveling to attend approved job related training, work on behalf of, officially represent, or provide a service related to the college mission. Travel that would not directly benefit the college is not reimbursable.

C. Employee Responsibility

An employee traveling on official college 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 college business are prohibited.

Colleges may authorize credit cards and/or procurement cards (“p-cards”) for employees during travel on college business. Employees will be responsible for unauthorized costs and any additional expenses incurred for personal preference or convenience. Employee misuse of college issued credit cards and/or p-cards is grounds for termination. All travel is contingent upon the availability of funds in the proper budget line item.

D. Definition of Terms

For purposes of this policy, the following definitions apply:

Authorized traveler – A college employee or non-college employee (as defined later) who is authorized for travel on official college business (as defined later). A member of a college's board of trustees is included in the definition of college employee.

Blanket authorization for college presidents only – [G.S. 115D-20\(1\)](#) requires college Presidents to report to the college's board of trustees. Therefore, the College Board of trustees shall pre-authorize the President's routine travel in the manner they see fit and determine the level of detail they require before authorizing travel, subject to State Board of Community College guidelines. In addition, in the interest of fiscal responsibility, it is the Board's responsibility to examine the President's travel at their discretion.

Blanket authorization for all others, excluding college presidents – A travel approval form necessary to conduct college business on a routine basis and claim mileage reimbursement only. The blanket authorization must contain the following:

1. name of the person traveling;
2. destination(s) and purpose for travel as defined by the college, such as various site visit to monitor classes, nursing instructors commuting to local hospital(s) to conduct student clinical training, commuting to local banks to deposit daily college deposits, commuting between campuses, etc.;
3. dates of travel for example July 1, 201x – June 30, 201x;
4. source of funding; and
5. any other information necessary to justify traveling on a routine basis.

A blanket authorization form may be completed and approval secured annually. The blanket travel authorization form must be approved prior to departure for all routine travel for which reimbursement is issued.

Common carrier – Commercial scheduled airplane, train, or bus.

Conference – A formal gathering for the purpose of conducting business and exchanging information. Registration fees may be paid for the actual amount expended for such meetings as shown by a valid receipt or invoice.

Duty station – While employed by the college, it is the headquarters or job location assigned by the college at which the college employee spends the majority of their working hours.

In-state – Within the borders of North Carolina.

Institute – A formal gathering for the purpose of training and instruction. Tuition fees may be paid for instructional costs incurred in such meetings.

Non-college employee – A person who is not legally employed by the college, such as:

- A consultant whose compensation will be paid from a general expense line item rather than from a payroll;
- An employee of another governmental jurisdiction, local or federal, in whose travel the college may have a business interest; or
- A student in a community college or technical college.

Non-state funds – Any funds expended or deposited in the college’s bank account (county, institutional/special, STIF).

International – Anywhere not included in in-state and out-of-state of this subsection. Generally understood to be travel outside of the country, for the purposes of this policy it also includes travel to Alaska and Hawaii.

Out-of-state – All of the contiguous United States except within the borders of North Carolina. This excludes Alaska and Hawaii.

State Funds – Any funds expended or deposited with the State Treasurer, whether derived from appropriations, grants or college receipts.

Stipends – A fixed and regular payment such as a salary for services rendered. Colleges approving stipends must withhold appropriate taxes pursuant to IRS guidelines (see *Publication 15* and *Publication 15-A*).

Subsistence – Lodging, meals, registration, phone calls, and all other items allowed by this policy, which are not defined as transportation by this policy.

Transportation – The means of moving from one physical location to another. The cost of transportation includes reimbursement paid for the use of private or public motor vehicles, fares paid on public conveyances, tolls, and parking fees.

Travel – All activities involving expenses for transportation, subsistence, or registration, which are authorized to be paid from state, federal, county or institutional/special funds or which involve college vehicles for transportation.

E. Authorization

For college presidents only – [G..S. 115D-20\(1\)](#) requires college presidents to report to the college’s board of trustees. Therefore, the board of trustees shall pre-authorize significant or unusual trips, etc., in the manner in which they see fit and determine the level of detail they require before authorizing the trip, subject to State Board of Community College guidelines. In addition, in the interest of fiscal responsibility, it is the board’s responsibility to examine the president’s travel at their discretion. A travel authorization must be completed and approved for all travel not covered under blanket authorization (i.e. overnight trips, out-of-state travel, requests for excess expenses, etc.).

For prospective professional employees

Approval for reimbursement of transportation expenses of prospective professional employees visiting a college for a *call back employment interview* may be approved by the college president or his or her designee. These expenses are limited to transportation and subsistence for three days at the in-state rate.

Students

Students who travel on official college business and whose expenses are paid or reimbursed by the State of North Carolina are subject to these regulations, including statutory subsistence allowances, to the same extent as college employees. Travel by students for the purpose of participating in athletic contests and activities of student organizations must be paid from funds supporting the particular organization or activity, not state funds. Colleges shall pay or reimburse travel expenses related to athletic contests and student organization activities consistent with its local policy, provided that this policy does not provide subsistence allowances that are higher than statutory rates. In addition, state funds shall not be used to charter transportation for student field trips *unless* the field trip is a **mandatory** course requirement, *not optional*, and must be part of the course outline from inception.

For all others not previously listed – An approval form is required for travel that is necessary to conduct college business and not on a routine basis. This authorization allows the traveler to claim mileage and/or per diem reimbursements. A travel authorization form must be completed and approved for all travel not covered under a blanket authorization (i.e. overnight trips, out-of-state travel, international travel, requests for excess expenses, etc.) and must contain the following:

1. name of the person(s) traveling;
2. destination(s) and purpose for which the trip will be made;
3. dates of travel;
4. source of funding (including the department/unit);
5. mileage and/or air fare, hotel and/or registration fee costs, and any other information necessary to justify the trip must be attached/included with the authorization form;
6. excess request (if needed) with justification.

The travel authorization form must secure approval of the college president or their designee for all trips prior to departure, regardless if traveling in a college owned or private owned vehicle. In addition, written authorization must be secured ***in advance*** from the college president or their designee for excess lodging and for registration fees.

F. Per Diem Compensation

Per diem compensation, whether called a stipend or by any other name, is not authorized for college employees who are in paid status. Employees of the college who are off payroll, but are to return to work and be put back on payroll (such as nine month instructors who are off pay status during the summer months) may receive

compensation/stipend for attending conferences and/or workshops during the time when they are off payroll. Colleges approving stipends must withhold appropriate taxes pursuant to IRS guidelines (see *Publication 15* and *Publication 15-A*).

G. Subsistence Rates

Subsistence is an allowance related to lodging and meal costs, including gratuities. For the 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 their official capacity as required by their work activities. The maximum allowable statutory rate for meals and lodging (subsistence) are shown in Table 1, below. These rates are effective July 1, 2021. The maximum includes lodging only if an overnight stay is required and excludes lodging for day trips. Reference OSBM Budget Manual 5.1 [Travel Policies for State Employees](#), 5.1.2 Subsistence Rates for most current rates.

Table 1 – Current daily subsistence schedule.

	In-state	Out-of-state
Breakfast	\$9.00	\$9.00
Lunch	\$11.80	\$11.80
Dinner	\$20.50	\$23.30
Lodging (actual, up to)	\$78.90	\$93.20
Maximum	\$120.20	\$137.30

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. 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 that the employee is entitled to for that day does not exceed the maximum allowed daily subsistence.

Colleges may choose to reimburse lodging and meals expenditures at the standard state subsistence rates or request authorization to set college-specific rates up to the U.S. General Service Administration’s (GSA) subsistence rates.

To be granted conditional authority to set college-specific subsistence rates (not to exceed the federal GSA rates) the college shall implement internal travel policies, publish them on the college’s public-facing website, and submit a signed [Annual Travel Policy Attestation Form](#) to OSBM each year by April 1. The policies shall, at a minimum, cover the topics outlined in the [Annual Travel Policy Attestation Form](#). College Presidents retain their authority to grant excess lodging above the rates in their policies based on the conditions outlined in the [State Budget Manual Section 5.2.3](#) for excess lodging.

The location and date-specific rates for lodging and breakfast, lunch, dinner, and incidental expenses can be found at [U. S. General Services Administration Per](#)

[Diem Rates](#), and are updated periodically. GSA rate adjustments for the first and last day of travel shall not apply.

H. Tips and Gratuities

Reimbursable gratuities 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. 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 or ride sharing service drivers no more than \$5 per trip.

Tips for handling baggage at common carrier terminals and/or when arriving at or departing from the place of lodging are allowed and must be itemized under "other expenses". Baggage tips are not counted toward the authorized subsistence maximums, but may be claimed as miscellaneous and excessive tips must be documented with a receipt. Tips for room service and other hotel services are not reimbursable. The costs of laundry, entertainment, alcoholic beverages, "set-up," between-meal snacks or refreshments, and other personal expenses are not reimbursable.

For tips and gratuities for meals, see *Reimbursement for Meals*, later.

I. 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.

J. International Travel

All out-of-country travel must be authorized by the college president or such department official designated by him or her. International travel status begins when the employee leaves the contiguous United States and remains in effect until the employee returns to the contiguous states. If the employee and other qualified official travelers use hotel and meal facilities located outside North Carolina, but within the contiguous United States, immediately prior to and upon returning from international travel (or to Hawaii or Alaska) but during the same travel period, out-of-state subsistence rates shall apply.

K. 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.

L. Reimbursement for Lodging

Each authorized traveler 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 or home, whichever is less. Requests for reimbursement shall be filed within thirty days after the travel period ends for which the reimbursement is being requested. Specific dates of lodging must be listed on the reimbursement request, which shall be substantiated by a receipt from a commercial lodging establishment (or online residential rental service, if supported by demonstrated savings), not to exceed the maximum per night for in-state or out-of-state lodging as shown in *Subsistence Rates*, earlier. Reimbursement to an authorized traveler sharing a room with a member of his or her family will be limited to the single occupancy rate. 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.

M. Excess Lodging

Excess lodging authorization for in-state, out-of-state, and international travel (including Alaska and Hawaii) must be obtained in advance from the college president or his or her designee. Excess lodging is allowed when the travel is to a high cost area and the authorized traveler is unable to secure lodging within the current allowance, or when the authorized traveler submits in writing an opinion that their 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 college may allow the authorized traveler to exceed the part of the ceiling allocated for lodging without approval from the college president provided that the total lodging and food reimbursement does not exceed the maximum daily subsistence.

N. Penalties and Charges Resulting from Cancellations

Penalties and charges resulting from the cancellation of travel reservations (including airline, hotel, or other travel reservations and conference registration) shall be the college's obligation if the authorized traveler'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 college. If the cancellation or change is made for the personal benefit of the authorized traveler, it shall be the authorized traveler'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 authorized traveler, the college may pay the penalties and charges.

O. Authorization for Meals

An authorized traveler may be reimbursed for meals, including lunches, while on official college business when the authorized traveler is in overnight travel status. The destination must be located at least 35 miles from the authorized traveler's regularly assigned duty station (vicinity) or home, whichever is less, to receive approved reimbursement.

Prior written approval by the college president or his or her designee must be obtained in order to qualify for reimbursement for meals if the authorized traveler is within 35 miles of the authorized traveler's regularly assigned duty station (vicinity) or home, whichever is less. Supervisory personnel certifying the reimbursement request as necessary and proper must require documentation from the authorized traveler to substantiate that the payment for meals was necessary and accomplished.

P. Reimbursement for Meals

Each authorized traveler 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. Departure and arrival times 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. An authorized traveler may be reimbursed, if requested, for breakfast even if their lodging establishment offers a free continental breakfast.

Costs of meals furnished with other related activities (registration fees, conference costs, etc.) may not be duplicated on the reimbursement request. See the exception in *Meals and Commercial Air Travel*, later.

Q. Meals during Daily Travel

In recent years, state budget policy allowed for the reimbursement of meals during daily travel if pre-approved. Since there is no exception in Internal Revenue Code to exempt such payments from taxation, the policy was revised to prohibit the practice. The state policy has once again been amended to allow such reimbursements provided that the following conditions are met:

- If a college decides to allow such reimbursements, there must be an approved college policy to clearly outline the allowable expenses and reimbursements. Such policy should dictate that:
 - breakfast cannot be paid unless the employee departs their duty station prior to 6am and the work day is extended by two hours;
 - supper cannot be paid unless the employee returns to their duty station after 8pm and the work day is extended by three hours; and
 - the travel must be to and from a location at least 35 miles from the employee's home or ordinary duty station, whichever is less.

- Under state law, lunches can generally be reimbursed only if the employee is in overnight status. Exceptions to this are set by [NCGS §138-6\(a\)\(3\)](#) and include allowing reimbursement for lunches under these circumstances:
 - When an overnight stay is required reimbursement is allowed while an employee is in travel status;
 - When the cost of the lunch is included as part of a registration fee for a formal congress, conference, assembly, or convocation, by whatever name called. Such assembly must involve the active participation of persons other than the employees of a single State department, institution, or agency and must be necessary for conducting official State business; or
 - When the State employee is a member of, or providing staff assistance to, a State board, commission, committee, or council which operates from funds deposited with the State Treasurer, and the lunch is preplanned as part of the meeting for the entire board, commission, committee, or council.
- If employees receive reimbursement for one or more meals when the employee is not in overnight travel status, these reimbursements must be taxed as compensation. The System Office recommends paying such reimbursements through payroll to ensure that the proper federal and state taxes are calculated and withheld.
- Colleges choosing to implement this policy must ensure that all employees are made aware of the tax implications of the policy in the any policy documentation or employee handbooks and similar references.

R. Meals during Overnight Travel

Authorized travelers may be reimbursed for meals for partial days of travel only 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 am and extend the workday by two hours.
- Lunch: depart duty station prior to noon on the day of departure or return to duty station after 2:00 p.m. on the day of return.
- Dinner: depart duty station prior to 5:00 p.m. on the day of departure or return to duty station after 8:00 p.m. on the day of return and extend the workday by three 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.

Unless specifically authorized by local policy and approved in advance, allowances cannot be paid to authorized travelers for meals if travel does not involve an overnight stay.

S. Meals and Day-to-Day Activities

College employees may not be reimbursed for meals in conjunction with a congress, conference, assembly, convocation or meeting, or by whatever name called, of

employees within a single college, state department, institution or agency, or between the employees of two or more colleges, state departments, institutions or agencies to discuss issues relating to the employee's normal day-to-day business activities.

T. Meals for Conferences or Events Requiring Employee Attendance

A college employee, when traveling in overnight status, may be reimbursed for meals, including lunches, when the employee's job requires one's attendance at the meeting of a board, commission, committee, or council in one's 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 college, state department, institution, or agency. This provision does not apply to conference, seminars or workshops *unless* the lunch is a *preplanned* part of the formal agenda, and/or is included as part of the registration fee.

Similarly, a college employee may be reimbursed for meals, including lunches, when the meal is included as an integral part of a congress, conference, assembly, convocation, etc. Such congress must involve the active participation of persons other than the employees of a single state department, institution, or agency; the employee's attendance is required for the performance of their duties, *but must not be part of that employee's normal day-to-day business activities*; the congress must be planned in advance with a formal agenda; and the congress must provide written notice or an invitation to participants.

U. Meals and Commercial Air Travel

Authorized travelers are allowed to claim reimbursement for meals even though they are shown and offered as a part of the authorized traveler's flight schedule on a commercial airline.

V. Excess Meals

No excess reimbursement will be allowed from state funds for meals unless such costs are included in registration fees, there are predetermined charges, and/or the meals were for international travel or travel to Alaska or Hawaii. The college president or his or her designee may grant excess subsistence for meals for out-of-country travel. To claim excess subsistence, prior approval must be secured prior to departure.

W. Authorization for Registration Fees

All registration fees must be approved in advance by the college president or his or her designee. Convention or conference registration fees must be included on the travel authorization request prior to departure. Registration fees for webinars or other on-line training that does not involve travel should not be requested on a travel authorization, but should be processed using the college's normal purchasing procedures. The college president or his or her designee must reduce the cost by unrelated items that are not a direct part of the official convention or conference, such as tours or social activities.

Registration fees may be paid by the college or the authorized traveler. An assembly must involve the active participation of persons other than the employees of a single college or agency and must be necessary for conducting official college or state business. When a registration fee includes the cost of one or more meals, it is the responsibility of the college to ensure that reimbursements for such meals are not approved on the travel authorization.

X. Reimbursement or Direct Payment of Registration Fees

Authorized travelers may not claim reimbursement for meals included in registration fees. To reimburse an authorized traveler for a paid registration fee, the employee must provide documentation of the expense by a receipt. It is the authorized traveler's responsibility to obtain the receipt, not the college's responsibility. A copy of a cancelled check used to pay a registration fee cannot be used as a valid receipt for reimbursement purposes. The employee will have to exercise due diligence to obtain a receipt in order to be reimbursed.

If the registration fee is paid by the college directly to the vendor through the accounts payable process, the proper registration fee documentation (i.e. brochures, invoices, etc.) must be received for payment to be processed and filed with the expense voucher as other accounts payable invoices. Registration fees shall be distinguished from tuition fees. Tuition expenses which generate continuing professional education credits must be coded to expenditure object 53980X - Employee Education Expense.

Y. 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. Tickets for commercial air travel may be purchased by the college or by the authorized traveler and claimed on his or her expense account. Travel by coach class must be utilized. Exceptional conditions requiring the use of first class accommodations may warrant reimbursement provided a statement of the condition is attached. A receipt is required for reimbursement. Flight insurance is not reimbursable.

Requests for all travel as passengers on non-commercial (charter flights) aircraft are made and approved in the same manner as transportation by other means. In order to be approved, the use of a charter flight must be more economical than a commercial flight and/or be necessary because of unusual travel circumstances.

Z. Super Saver Rates

When traveling by common carrier to conduct official college business, authorized travelers traveling to their destination earlier than necessary and/or delaying their return to avail the college of reduced transportation rates may be reimbursed subsistence for additional travel days if, in the opinion of the college president 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

authorized traveler must stay overnight on the Saturday closest to the first or last day of official state business to which the authorized traveler is attending. With sufficient justification, the college president or his or her designee can make an exception to this requirement prior to travel commencing.

AA. Transportation by International Flights

Authorized travelers traveling internationally or to Alaska or Hawaii on overseas flights may be reimbursed actual business class fare (substantiated by receipt) with prior approval of the college president or his or her designee.

BB. Frequent Flyer Miles

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

CC. Coupons or Certificates for Reduced Air Fare

Coupons or certificates for reduced air fare, if acquired by an authorized traveler while traveling on official college business at state expense, are the property of the college and should be used, to the extent possible, by the authorized traveler on future official college business trips.

DD. Fees and Service Charges

With sufficient justification and documentation and with approval of the college president or his or her designee, authorized travelers can be reimbursed for usual, customary, and reasonable fees and service charges imposed by travel agents for assistance in making travel arrangements.

EE. Transportation by Personal Vehicle

Travel shall be conducted in the most efficient manner and at the lowest and most reasonable cost to the college. With regard to passenger vehicle travel, whether in-state or out-of-state, college travel policies shall:

- Maximize utilization of college-owned vehicles,
- 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.

Colleges are encouraged to establish policies that promote efficient travel, such as ride-sharing. When college-owned resources are not available, the college may procure vehicles through the State's term contracts or reimburse use of personal vehicles. If a college 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).

An authorized traveler who has been approved for reimbursement for the use of a personal vehicle shall be reimbursed the current standard business mileage rate set by the Internal Revenue Service (see *Table 2*, below, for rates as of this publication) or a lower rate approved by the college's board of trustees when using their personal vehicle for official college business.

NOTE: Effective, April 1, 2021, the [State Budget Manual](#) removed the requirement of the 100-mile distinction for mileage reimbursement. All miles traveled by personal vehicle may be reimbursed at the same rate. Colleges may set the mileage reimbursement rate in their own policies, including the previous 100-mile distinction if the College elects to continue this practice. In any event reimbursements may not exceed the IRS rate, which becomes a taxable benefit to employees.

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

It is the responsibility of the college to review the IRS business standard mileage rate annually and obtain local board approval prior to changing the reimbursement mileage rate to the prevailing rate or any amount less than the prevailing rate.

Reimbursement shall not be authorized for expenses which exceed the established rate of travel or actual air-coach rate when:

- A college-owned vehicle is available.
- Railroad, airplane, or other alternate transportation is feasible and would be more economical, considering transportation, subsistence, and salary costs.

For *college owned* automobiles on official state business, reimbursement shall not exceed the rate established by the local board of trustees for transportation by privately owned automobiles *less* the current depreciation portion of the IRS standard business mileage rate (see *Table 2*, below).

Table 2 – Current* mileage rate schedule.

	Per mile
IRS standard business mileage rate	56¢
IRS depreciation mileage rate	26¢

*As of the date of this document – see www.irs.gov for current rate information

Reimbursement may be made to College Board of Trustees for their commute from their home to their duty station to conduct official College Board meetings.

As mentioned in the preceding paragraphs, for the purposes of reimbursing authorized travelers for the use of their personal vehicle for official college business, colleges may use either the prescribed mileage rates and their respective restrictions or establish a

lower or more restrictive rate structure than the foregoing rate structure as a result of the limited budget availability for travel (State Board of Community Colleges Action Item Attachment FC-5, 07/16/04). Reimbursement rate structures must be approved and adopted by the college's board of trustees.

FF. Transportation by a Rental Vehicle

For both in-state and out-of-state travel, rental vehicles shall be obtained through [State Term Contract 975B Vehicle Rental Services](#) when available. If the rental agency does not bill the college directly, the authorized traveler will be reimbursed up to the rental rate of a standard class vehicle based on the State's term contract, unless there is a documented business purpose for rental of a larger vehicle and that purpose has been approved through the travel authorization process.

Review [State Term Contract 975B Vehicle Rental Services](#) for a complete listing of all vehicle rates and options.

Differences in cost when renting a vehicle from a class that exceeds the cost of a standard vehicle must be approved in advance by the college president or his or her designee. Without such approval, the authorized traveler must pay the difference in the cost.

Authorized travelers must present an original itemized receipt from the rental agency for reimbursement. Authorized travelers should choose the most economical means of refueling the rental vehicle, which is typically to refuel the rental vehicle before returning it to the rental agency. Gas receipts for refueling the rental vehicle from a commercial gas station or rental agency are required for reimbursement. No reimbursement will be made for rental insurance purchased because college employees are covered under the college's auto insurance program. However, reimbursement for automobile rental insurance will be permitted for individuals engaged in official college business during travel to international destinations.

GG. Travel to/from Airport at Authorized Traveler's Duty Station

Reimbursement for travel between the authorized traveler's duty station or home (whichever is less) and the nearest airline terminal (or train/bus station if applicable) and for parking (see also *Parking*, later) may be made under the following circumstances. For travel by:

- Taxi, car service, mobile phone ordered car service, or airport shuttle - actual costs with receipt (but see *Tips and Gratuities*, earlier).
- Private car – the business standard mileage rate set by Internal Revenue Service (see *Transportation by Personal Vehicle*, earlier) 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 (see *Parking*, later).
- 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 either from the airport

to the hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

HH. Travel to/from Airport at Authorized Traveler's Destination

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

- Taxi, car service, mobile phone ordered car service, or airport shuttle service – actual costs with receipts (but see *Tips and Gratuities*, earlier).
- Rental vehicles - may be used with the prior approval of the college president or his or her 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 either from the airport to the hotel/meeting or from the hotel/meeting to the airport or the actual cost of the travel with the submission of receipts.

II. Parking

Parking expenses are reimbursable while in the course of conducting official college business as long as such expenses are determined reasonable and clearly show that there was care taken to keep the costs to the college as low as possible. Any parking rates considered excessive and only for the convenience of the authorized 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.

JJ. Travel Involving Trips Other than to and from the Airport

The actual costs of taxi and shuttle service fares are reimbursable when required for travel on official college business (but see *Tips and Gratuities*, earlier). The request must be documented with a receipt. The use of public transportation is reimbursable for actual costs with a receipt.

KK. College-Owned Vehicles Used for Instruction

Reimbursement is allowed when using college owned vehicles for purposes of instruction, and college policies and procedures must be developed and approved by the local boards of trustees to calculate the appropriate reimbursement rate. Colleges should use the same reimbursement model as is used by the North Carolina Department of Administration (NCDOA) Motor Fleet Management Division for the State of North Carolina.

This model requires colleges to determine the anticipated resale value, salvage percentage, salvage value, and salvage miles for all vehicles. Next, create the applicable vehicle classes (i.e. sedan, truck, van, SUV), and apply the appropriate inflation rate for all vehicles. (Note: NCDOA Motor Fleet uses an inflation rate of 3% for 3 years, per the recommendation of OSBM). Then, colleges will need to determine their mileage reimbursement rate annually by calculating the following:

- Weighted vehicle class depreciation rate
- Vehicle class gas rate
- Vehicle class repair rate

The above rates are then added together to determine the mileage reimbursement rates for each vehicle class. Since college owned vehicles vary in size, number, and class from college to college, each college is responsible for calculating an appropriate reimbursement rate for the institution.

Table 3 – Example mileage and expense calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Miles Driven 7/1/09 - 6/30/10	Total Gas Expenses 7/1/09 - 6/30/10	Total Repair Expenses 7/1/09 - 6/30/10	Total Expenses
SUV	5	2005 Ford Escape Hybrid 4W	60,255	\$5,063.76	\$2,411.51	\$7,475.27
SUV	15	2006 Ford Escape Hybrid	245,215	\$20,864.28	\$3,341.63	\$24,205.91
SUV	8	2008 FORD ESCAPE HYBRID	48,211	\$4,398.61	\$109.72	\$4,508.33
SUV	28		353,681	\$30,326.65	\$5,862.86	

Table 4 – Example depreciation calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Purchase Price	Salvage (%)	Resale Value	Depreciable value	Salvage Miles	Depreciation Weight
SUV	5	2005 Ford Escape Hybrid 4W	\$24,900	25%	\$6,225.00	\$18,675.00	90,000	1.16577
SUV	15	2006 Ford Escape Hybrid	\$18,322	25%	\$4,580.50	\$13,741.50	90,000	2.57341
SUV	8	2008 FORD	\$12,693	25%	\$3,173.25	\$9,519.75	90,000	0.95082

		ESCAPE HYBRID						
SUV	28							4.69000

Table 5 – Example operational cost calculations.

Vehicle Class	Number of Vehicles	Vehicle Type Description	Depreciation Rate	Gas Rate	Repair Rate	Billing Rate
SUV	5	2005 Ford Escape Hybrid 4W	0.23315	0.08404	0.04002	
SUV	15	2006 Ford Escape Hybrid	0.17156	0.08509	0.01363	
SUV	8	2008 FORD ESCAPE HYBRID	0.11885	0.09124	0.00228	
SUV	28		0.16750	0.08575	0.01658	0.26982

In summary, the steps to calculate mileage reimbursement for instructional use of college vehicles are as follows:

- Create policies for anticipated resale value, salvage miles, and use of an inflation rate (Note: NCDOA Motor Fleet uses an inflation rate of 3% for 3 years, per the recommendation of OSBM).
- Determine vehicle classes (i.e. sedan, truck, van, SUV), miles driven, and total gas and repair expenses (shown in Table 1).
- Use the policies created in Step 1 to determine the salvage miles, to apply the salvage percentage to the purchase price, and to calculate the resale value and depreciable value (shown in Table 2). Determine depreciation rates for each vehicle class (shown in Table 3 fourth column) by multiplying the purchase price by the inflation rate minus the resale value, divided by the salvage miles. It will be necessary to weigh depreciation rates (shown in Table 2 last column) if there are multiple vehicles in a class (i.e. five 2005 Ford Escape Hybrid 4W). Multiply the depreciation rate by the number of vehicles to calculate the depreciation weight.
- Determine gas and repair rates for each vehicle class by dividing last fiscal year's expenses by the miles driven (shown in Table 3).
- Add the depreciation, gas, and repair rates for each class to determine the reimbursement rate for vehicles in each class.

LL. Travel Advances

All authorized travelers who travel on official college business may be issued advances when authorized by the college president or his or her designee in order that personal funds will not be required. Fiscal records must be maintained by the college for proper control. Eligibility for advances and reporting requirements are as follow:

- College employees who have been issued college 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 that is to be submitted within thirty days after the travel period or the date designated by OSC for year-end accounting processes, but not later than June 30th.
- Travel advances for regularly scheduled travel for employees who travel each month may be made through an annual advance of funds equal to the average monthly expense. All reimbursement requests shall be filed and paid monthly for incurred expenses and the advance must be repaid as of June 30th annually or earlier if required by the college. If it is determined that the monthly reimbursement has averaged less than the annual advancement, the advance must be reduced to the newly established amount.

Travel advances may be issued from grants/special projects from an accounts receivable code in the project's special fund, but the advance cannot be requested from the System Office on the project's request for reimbursement (Form NCCCS 2-33). Only actual expenses will be reimbursed by the System Office. If a college chooses to pay registration fees, airline fare, etc. in advance, the payment should be charged to the appropriate expenditure code and source of funds, not an accounts receivable code.

MM. Long Distance Telephone Charges

Authorized travelers are not allowed to charge long distance phone calls to the college for calls made of a personal nature, except as stated below. All long distance calls that are to be paid by the college are those made pursuant to the employee conducting official college business. Official business phone calls are NOT reimbursable from state funds. Official business calls may be reimbursed from non-state funds up to five dollars (\$5.00) without the point of origin and destination being identified. Calls over five dollars (\$5.00) must be identified as to point of origin and destination.

NN. Reimbursement for Telephone Charges

Official phone calls are reimbursable under "Miscellaneous." Individual calls over \$5.00 must be identified as to point of origin and destination. Reimbursement must be made from non-state funds.

OO. Allowable Personal Calls

An authorized traveler 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 authorized traveler may not exceed \$3.00 for each in-state call or \$5.00 for each out-of-state call. Documentation is required for reimbursement. Reimbursement must be made from non-state funds.

PP. Employee Emergency Calls

Authorized travelers may be reimbursed for a personal long distance call(s) if such call(s) is/are of an emergency nature as determined by the college. An example is a call made when an authorized traveler calls home to inform someone that the travel period has been extended beyond original plans due to unforeseen reasons. Reimbursement must be made from non-state funds.

QQ. Mobile Telephones

Because mobile telephone charges (cellular and digital) are based on measured use, no personal calls should be made on college-owned mobile telephones except in case of emergency as determined by the college. Mobile telephone calls to conduct official college business should only be used when more economical means of telephoning are not reasonably available. If an authorized traveler uses their personal mobile telephone in conducting official college business, the authorized traveler can be eligible for reimbursement when more economical means of telephoning are not reasonably available. In order for the college to reimburse the authorized traveler, the traveler must indicate on their 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 related to official college business, the college will reimburse the actual billed cost of the call(s) from non-state funds.

RR. Use of Telephone with Computer Hook-ups

Authorized travelers traveling on official college business who need to transmit data electronically (including email) or use the internet for official college business purposes should use the most cost-efficient manner available. Prior to reimbursement, the employee's supervisor must approve. Documentation and justification must be attached to the request for reimbursement. Reimbursement may be made from state funds for data transmissions.

SS. Assemblies Sponsored by the College

Whenever feasible, assemblies should be held in facilities owned by the college. When necessary, other facilities may be rented and the costs charged to participants as part of a registration fee. If no registration fee is charged, rental of facilities becomes local responsibility. For subsistence allowance purposes, the 35 mile limitation with regard to employee's duty station as set forth previously does not apply for employees attending formal meetings.

Assemblies sponsored or co-sponsored by a college are considered formal when they meet the following limitations:

- There are a substantial number of participants, with at least 25 percent of the participants coming from outside the local area.
- The assembly 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.

As of April 1, 2021 OSBM adopted the following in reference to registration fees and “coffee breaks.”

Registration fees may be charged by the sponsoring college to participants for costs of assemblies. Registration fees collected shall be deposited to a special fund and used to defray expenses of the particular assembly. All registration fees collected for this assembly must be used to pay the cost of putting on this assembly and cannot be used for any other program or purpose.

When a registration fee is not charged, sponsoring colleges may provide refreshments for “coffee breaks” provided there are ten (10) or more participants and costs do not exceed five dollars (\$5.00) per participant per day, per workshop. If a registration fee is charged, the allowance for refreshments for “coffee breaks” can exceed the five dollars (\$5.00) per participant per day, per workshop, if the cost is incorporated into the registration fee. For coffee breaks to be paid by the college, the following shall be secured:

- an itemized receipt or invoice;
- a list of participants by name; and
- the purpose and duration of assembly or a formal agenda.

When assemblies are to be held under the sponsorship of a college in which the funding for all participants is budgeted, lump-sum payments to a conference center or a service organization may be made upon written authorization from the college president or their designee. The authorization must provide:

- the purpose and duration of the assembly;
- the number of persons expected to attend;
- the specific meals to be served at the assembly;
- the approximate daily subsistence cost per person; and
- the name of the conference center, hotel, caterer, or other organization providing the service.

Payments will be made only when sponsoring colleges attach to the payment vouchers an itemized invoice, approved by the college president or their designee, with a list of names, addresses, and affiliations of those attending.

It is the responsibility of the college to ensure that reimbursement for meals included in the lump-sum payment are not also included in reimbursement payments made to assembly participants.

Expense reimbursement and payment for participants at formal assemblies - Reimbursement for expenses of college employees or payment expenses incurred on behalf of college employees participating in any formal conferences, convention, school, workshop, institute, seminar, or other organized gathering sponsored or co-sponsored by a college shall be in accordance with all provisions of these travel regulations and shall be based on in-state rates.

Colleges can pay registration fees for their employees when attending meetings sponsored by a college. If any portion of the registration fee is to be used to defray meal costs, it is the responsibility of the college to ensure that its employees are not reimbursed for the same meals charged in the registration fees.

TT. Informal Meetings

College presidents may be reimbursed from state funds for meals for themselves and non-college employees who are their official guests, when accompanying them in the course of conducting official college business. Non-college employees include but are not limited to members of the college's board of trustees, advisory board, and/or curriculum advisory board. Such meals are not subject to the daily maximum limitations on amounts contained in these regulations and the limitations pertaining to minimum distance from duty station does not apply. Cost of meals and other expenses for family members of college employees and/or non-college employees conducting official college business are not reimbursable from state funds.

UU. Travel and Allowances-Part-Time Instructors

Temporary or part-time curriculum and extension instructors who travel more than 15 miles to or from a duty station for the purpose of teaching curriculum and extension courses may be paid mileage expense *in justified cases* approved in writing by the college's president or their designee. These payments must be included on an employee's W-2 form as salary payments.

Note: This policy is not intended to reimburse normal commuting expenses.

Subsistence and lodging for temporary or part-time curriculum and extension instructors may be paid when it is deemed more economical for the employee to stay overnight rather than to charge transportation costs on successive days.

If a college requires a part-time employee to travel to a conference, seminar, etc. beyond the times stated in their instructing contract, salary can be paid for the part-time employee to attend the conference, seminar, etc. A new contract must be generated and the new contract shall include written justification stating that the college requires the part-time employee to travel. The new contract costs must include driving time to and from the conference, seminar, etc., as well as the time spent attending the conference, seminar, etc. The new contract salary costs shall not include time spent each day before the conference, seminar, etc. convenes nor time spent each day after the conference has adjourned (i.e. time spent each evening in their hotel room or participating in events that state funds normally would not support). Salary will only be calculated according to a formal, printed preplanned agenda

according to the days and times listed on the agenda that relate directly to conference, seminar, activities, etc.. Salary will be expended from a part-time salary object. All other travel related costs will be expended from the appropriate expenditure object(s).

VV. Timely Filing

Each employee is responsible for their own request for reimbursement. All reimbursement requests shall be filed for approval and payment within thirty (30) days after the travel period has ended as reflected on the approved travel authorization or June 30th, whichever comes first. Travel period is defined as the calendar month during which the travel occurred. In the case of continuing education instructors who are paid at the end of a semester, their travel period may be considered to be the end of the contract.

III. Moving and Relocation

A. Conditions and Limitations:

An employee's moving expenses may be paid from state funds only when:

- A change of residence is deemed to be in the best interest of the college if such a change is required as a result of a promotion within the department or by a change in assignment involving a transfer of the employee for the advantage and convenience of the college.
- For existing employees, the new duty station is fifty (50) miles or more from the employee's most recent duty station or residence, whichever is *closer* to the new duty station. For new hires, the new duty station is fifty (50) miles or more from their current residence.
- The state policy has been amended to allow moving expenses for new hires when it is determined that it is in the best interest of the State. This should be limited to difficult to fill positions and the need must be documented. If a college decides to allow such reimbursements, there must be an approved college policy to clearly define allowable conditions.
- Community colleges may use state funds to pay for moving expenses of new presidents when the president's household and personal goods weigh less than 15,000 pounds. Should the president's household and personal goods weigh 15,000 pounds or more, see "Excess Weight Authorization" in the next section.
- Requests for moving expenses for new hires other than presidents must be approved by the president of the college. Requests for moving expenses for new presidents must be approved by the college's board of trustees.
- The move should be accomplished within 90 days of approval. The college's board of trustees may approve an extension of an additional 90 days.
- No payment may be made from state funds for expedited service, space reservation, or other special or non-routine services by the carrier.

Every effort should be made to expedite the movement of the employee's household goods. However, the time allowed for the employee's locating a new residence and moving is the responsibility of the individual college and should be granted as leave-

with-pay, for up to a total of 16 hours, which is accounted for as normal workday activities. Reimbursement for moving and relocation expenses shall be prorated in the same manner in which their salary is funded. For example, if the employee's salary is paid 80 percent state and 20 percent local, the moving and relocation allowance shall be prorated in the same manner.

All other moving and relocation expenses must be paid from non-state funds.

B. Expenses Paid

The maximum payment from state funds for various categories of costs is enumerated in this section. Any additional costs must be paid from other allowable funding sources or borne fully by the employee.

The Internal Revenue Service (IRS) considers moving expenses paid to an employee directly or indirectly (to one or more third parties on behalf of the employee) as taxable compensation. Any moving expenses paid to an employee based on guidance under the Moving and Relocation section in this manual must be taxed as compensation, which includes not only income taxes but Social Security and Medicare taxes as well.

1. Moving of Household and Personal Goods

Payment for movement of household and personal goods includes items such as furniture, clothing, and personal effects. Any items that require special handling and/or packing, such as an animal, a boat, airplane, antiques, satellite dish, campers, woodworking equipment, workshop items, heavy machine equipment and building materials are not considered as household or personal goods.

Payment includes, and is limited to, the cost of actual packing, transporting, and unpacking of a maximum of 15,000 pounds. If the move is on a weight basis (50 miles or more), the maximum cost to be paid can be no more than the lowest available regulated tariff rates. If additional storage is required for any such items, it is the responsibility of the employee and is not reimbursable.

2. Excess Weight Authorization

When due to extraordinary circumstances the total weight exceeds the maximum weight allowable, 15,000 pounds, a request for payment for this excess, which sets forth in detail the nature of such extraordinary circumstances, may be approved by the president, if submitted on behalf of a new employee who is not the president, or the Board of Trustees when the new hire is the college president. Reimbursement shall be based upon the tariff rate of 15,000 pounds, provided reimbursement does not exceed actual poundage costs. Except as otherwise provided specifically herein, payment may be made only for basic services performed by the carrier. No payment may be made from state funds for expedited service, space reservation, or other special or non-routine services by the carrier.

3. Insurance

Payment of transit insurance costs, is set to \$0.60 cents per pound per article. Presidents may grant exceptions.

4. Appliance Connections

The reasonable costs of disconnection of appliances, as defined in this section, at the old residence and reconnection or reinstallation of the same appliances at the new residence, by the carrier or by a service company, may be allowed up to a maximum of \$500. This would include items typically found in performing household operations such as electrical, water, gas hook up, household appliances, and connection of a single telephone. This would not include items considered unnecessary to household operations such as television antennas, cable connection, satellite dish, nor any type of power tools or other equipment associated with home workshops, hobbies, or other activities. Also, utility deposits or the running of utility lines are not a reimbursable expense.

5. Mobile Homes

In lieu of an allowance for loading, unloading and insurance coverage, charges not to exceed a total of \$1,000 are allowable for the following costs associated with the movement of mobile homes utilized as the employee's residence:

- Blocking and unblocking
- Anchoring and skirting
- Movement of air conditioners and utility buildings
- Wheel rental

Claims for payment for such services, whether performed by the carrier or a service company, must be supported by itemization on the bill of lading or on paid receipts, as applicable, detailing in either case the appliances serviced, the work done, and the individual cost of each such service. Such services performed by the carrier, and for which he assumes complete responsibility, may be invoiced at the applicable tariff rates, and must be further supported by an affidavit signed by the employee verifying that the carrier performed the services.

6. Employee Travel and Subsistence

Payment for travel expenses incurred in moving the employee and his or her family from the old residence to the new residence is authorized as follows:

- Locating a new residence
Transportation mileage calculated at the statutory rate for a maximum of three round trips by automobile with each trip not to exceed two days (2 days, 1 night), for total house hunting trips not to exceed 6 days (6 days, 3 nights). Subsistence for meal costs as shown in the travel section for each member of the family per trip. If overnight lodging is necessary, lodging is limited to one double room and subsistence for the following day is allowable.
- Move date
Mileage calculated at the statutory rate for a one-way automobile trip (a maximum of two cars). Subsistence for meal costs as shown in the State

Budget Manual travel section (Section 5) for each member of the family. Employees have two days to complete the move. If overnight lodging is necessary, subsistence for the following day is allowable. Lodging is limited to one double room. The department head or their designee can approve any additional time needed.

- **New duty station**

Subsistence at the new duty station is not to exceed five days a week Monday-Friday, or a consecutive five day period, if working a nontraditional schedule. Mileage is limited for one-round trip per week from the employee's current residence to the new duty station, subject to state travel laws and regulations, from the time he or she begins work until he or she moves into the new residence, not to exceed a total of 40 consecutive working days, excluding any leave time.

C. Procedures for Moving and Payment

1. Arranging the Move

Prior to the actual move, the employee will submit a request to the college's board of trustees. The request shall include bids from three movers and an estimate of other allowable expenses. These regulations require competitive bids that do not exceed the tariff rates and charges as published and filed with the North Carolina Utilities Commission. Bidders must have all required state and federal licenses and insurance. Bids included in the request shall include:

- Shipment weight
- Number of cartons
- Charges for loading and unloading
- Cost of transit insurance coverage

Transportation and loading shall be governed by the rules and regulations as contained in tariffs on file with the North Carolina Utilities Commission.

The college's chief financial officer shall accept the low bid unless judged not to be to the college's advantage and interest. The chief financial officer will notify the employee in writing as to the mover receiving the contract. Reimbursement to the employee will be paid after the move and on the basis of the total bid price of the successful bidder and prorated by funding source as outlined in "Conditions and Limitations" earlier in this section.

2. Procedure for Payment

Upon completion of the move, the employee may pay the carrier and/or submit to the college's chief financial officer documentation consisting of:

- A bill of lading from the carrier which shows the actual rates and charges for transporting, loading and insurance, itemized by miles, loading charges with numbers and sizes of cartons, insurance coverage, as spelled out in this

section.

- For moves over 50 miles, a certified weight ticket obtained by the mover and certifying the actual gross, tare, and net weights. This can be obtained from platform scales at truck stops, weight stations, etc.
- A copy of the letter authorizing the move. The college shall reimburse the employee or pay the carrier upon receipt of proper documentation. The expenditure should be charged to an account designated Employee Moving Expense.

The *Tax Cuts and Jobs Act of 2017* repealed the federal tax exclusion for moving expenses. Payments by employers to an employee or to third parties on behalf of an employee are taxable to that employee beginning January 1, 2018. Such payments are subject not only to federal and state income tax withholdings but also Social Security and Medicare taxes as well (§11048 of the Act). For these reasons, colleges are strongly advised to add the moving expense payments to the employee's pay for the period in which payment is made and run through payroll so that appropriate taxes will be calculated, withheld, and reported. Payments made to third parties could be added as a taxable adjustment and deducted back as a post-tax adjustment.

3. Alternate Procedure

The college board of trustees may approve moving by an alternate procedure provided proper documentation and receipts support the move. The college may reimburse the actual cash expenditure made by an eligible employee in moving their household goods by another method, provided such reimbursement does not exceed that which would have been made if a regulated common carrier had been used. This alternative may be applicable for movement of an employee's goods by a rental trailer or truck or by a non-licensed mover. It is the responsibility of the board of trustees to determine if this method is cost effective before approval is granted.

IV. Bookstore Operations

The Operations of the bookstore should be handled through the provisions of Institutional Funds. All financial transactions pertaining to the bookstore should be kept separate from all other activities of the college.

A. Inventory

A complete physical inventory should be taken of all items for resale as of June 30 each year. This inventory should list each item on hand at June 30, and should provide columns for quantity of each unit on hand, per unit cost, and total costs. The total value of the inventory at costs should be recorded in the ledger and used to arrive at the cost of goods sold. The inventory list should be saved for use in auditing the bookstore.