5 Understanding Travel Policy

OVERVIEW

Before you embark on any business-related travel for the FDIC, make sure you know these general rules about travel.

- To be entitled to the Lodgings – Plus Per Diem reimbursements, the assignment must be more than at least 50 miles from either your home or office. If the assignment concludes during the workday and is located within 100 miles of your office or residence, rather than remaining overnight you must return to you residence or office.

- You will be reimbursed at the per diem rate established for your destination. The guidelines for reimbursement of per diem are covered in this chapter.

- The FDIC will reimburse you for approved transportation expenses, such as fares and other related costs.

- You are entitled to reimbursement for necessary transportation costs en-route and while assigned to places of temporary duty more than 50 miles from your residence.

You must submit a Law Firm Travel Voucher when you return from travel.

When you return from travel, submit the following to the FDIC as part of your next invoice package:

- Travel Voucher Continuation Sheet (if necessary)

- An original and two (2) duplicates of each invoice and all supporting documentation.

Details on submitting this paperwork can be found in Chapter 3 (Submitting an Invoice).

OVERVIEW (cont.)

This chapter gives you information on the following:

⇒ Subsistence Expenses
⇒ Per Diem Rates
⇒ Transportation
⇒ Special Travel Circumstances
⇒ Non-reimbursable Expenses
⇒ Getting Reimbursed
⇒ Preparing Travel Vouchers

SCENARIO

Why Can't I Travel First Class?

Juan Gomez, an attorney at Sherwin and Associates wrote a note to his secretary, Bob, requesting that he make travel arrangements. In his note, Juan detailed the dates of travel and the airports he would be using. He also requested that a first class ticket be purchased since he was going to fly across the country and wanted to be comfortable.

When Bob arrived at the office he noticed the travel request from his boss. Bob began making the travel arrangements, but stopped when he saw that Juan wanted to fly first class. Bob immediately opened the **Outside Counsel Deskbook** and read that the FDIC will not reimburse first class tickets. Bob was relieved that he had opened the Deskbook before booking the flights.

TRAVEL POLICY

You will only be reimbursed for certain reasonable travel costs and expenses. A good guide to remember is to exercise the same care when on official business that you would exercise when traveling on personal business.

Make sure your travel expenses do not exceed the travel costs you identified in the budget.

Ensure that all travel on behalf of the FDIC is necessary and appropriate for conducting a legal matter under FDIC guidelines, and that you are not exceeding the travel costs identified in your budget. Make sure you use the FDIC Law Firm Travel Voucher (refer to Appendix C for a copy of this form).

You should begin travel at the latest possible time to reach an assignment on time and return as soon as practicable once an assignment is complete. You will not be reimbursed for excess costs caused by:

- An indirect route taken as a matter of personal preference
- Premature departure for personal reasons from a temporary location
- Extension of stay for personal reasons at a temporary location.

WARNING: *Travel costs for spouses, other family members, or friends are not reimbursable under any circumstances.*

SUBSISTENCE ALLOWANCES

When you're on overnight travel status, you may be reimbursed on a per diem basis. The current FDIC per diem rates are $30, $34, $38, and $42 for certain per diem localities (see attachment C). When you are on per diem, incidental expenses such as laundry and cleaning are considered to be covered by the per diem.

Subsistence allowances are expenses for meals and lodging.

NOTE: *You cannot be reimbursed for transportation and subsistence when commuting between your residence and your regular duty or office location.*

Lodging

Lodging is reimbursed for the actual expense as charged by the hotel, whether Government or Corporate rates.

You should obtain government rates from hotels that extend government rates to law firms performing under government contracts. The FDIC will reimburse expenses for lodging not covered by government rates as long as the cost is not unreasonable or excessive.

Meals

Meals while on travel are reimbursed on a per diem basis. The cost of meals for persons other than you will not be reimbursed.

PER DIEM RATES

Your law firm can be reimbursed, at a maximum, the actual amount of per diem disbursed to an employee. The per diem rates are included in Appendix C.

Refer to Appendix C for current per diem rates.

NOTE: *Meals while you are on travel are reimbursed through per diem, unless you are on special allowance travel as explained below.*

Per Diem for Partial Days

If your travel extends into more than one calendar day, prorated per diem for partial days is required. One-fourth of the per diem allowance is payable for each quarter-day or fraction thereof:

- 12 Midnight to 5:59 a.m.
- 6:00 a.m. to 11:59 a.m.
- 12:00 p.m. to 5:59 p.m.
- 6:00 p.m. to 11:59 p.m.

Review your itinerary to determine the amount of per diem you should be reimbursed.

If you depart from and/or return directly to your residence, per diem is allowable from the time of departure from your residence until time of return to your residence. If departure is from and/or return is to your office, per diem is allowable from the time of departure from your office until the time of return to your office.

PER DIEM RATES (cont.)

Per Diem Reductions When Meals Are Provided

When meals are provided in the cost of lodging, the amount of per diem you receive will be reduced by the following amounts per meal:

Per Diem Reductions When Meals Are Provided				
If rate is…	$30.00	$34.00	$38.00	$42.00
Breakfast	$ - 6.00	$ - 7.00	$ - 8.00	$ - 9.00
Lunch	$ - 6.00	$ - 7.00	$ - 8.00	$ - 9.00
Dinner	$ - 16.00	$ - 18.00	$ - 20.00	$ - 22.00

Different Per Diem Rates on Same Day

What happens if you travel to locations with different per diem rates on the same calendar day? The rate for the point of origin applies until the end of the quarter day that you depart the carrier's terminal (usually, the air carrier's flight departure time). The per diem rate for the destination point starts at the beginning of the next quarter day.

If you travel to one location and return to the original office, the destination per diem rate is applicable for the entire trip.

TRANSPORT-ATION EXPENSES

You can travel by railroad, plane, bus, car, or taxicab, using the most direct route. Transportation expenses may include fares and other related costs, such as tolls.

If travel is by an indirect route, you must submit a satisfactory explanation for the indirect travel to the FDIC. You cannot be reimbursed for excess costs caused by an indirect route as a matter of personal preference.

TRANSPORT-ATION EXPENSES (cont.)

Review the travel criteria to determine your eligibility for reimbursement.

NOTE: *When flying, the hotel's or airport's shuttle service (rather than a taxi) should be used for traveling between outlying terminals. Provide an explanation for exceptions as part of your supporting documentation.*

Privately-Owned Vehicle (POV)

Can I drive my own car? The FDIC may approve use of a POV on a case-by-case basis. This approval will be granted when it is more advantageous to the FDIC, considering comparative costs of transportation, subsistence, and other reimbursable items. Check with your Oversight Attorney to determine whether or not you may use a POV.

TRANSPORT-ATION EXPENSES (cont.)

Privately-Owned Vehicle (POV) (cont.)

Mileage Rate

The current reimbursement rate for official travel by POV is 31½ cents per mile, which covers all costs of ownership and operation.

If you choose your own vehicle in lieu of air travel, the maximum reimbursement will be the lesser of the cost of air travel or mileage reimbursement per diem difference.

Mileage Allowance

How does the FDIC determine allowable mileage? The FDIC uses the **Rand McNally** standard highway mileage guide to determine allowable mileage. Unexplained claims for mileage that is over the mileage guides will be disallowed.

*Determine the allowable mileage for your trip with the **Rand McNally** mileage guide.*

You can be reimbursed for automobile parking fees and tolls for bridges, tunnels, roads, and ferries, unless restrictions apply.

Reimbursement is allowable for the cost of driving a POV to a common carrier terminal. The parking fee and mileage reimbursement must not exceed the estimated cost of a taxi to and from the terminal.

Rental Automobile

Can I rent a car while I am on travel? Rental cars should be used only when necessary and when the cost will be less than other forms of ground transportation. You should exercise prudence in the selection of the least expensive vehicle necessary to adequately perform the official travel.

TRANSPORT-ATION EXPENSES (cont.)

Rental Automobile (cont.)

Generally, no car larger than a mid-size should be rented. You should compare the cost of car rental with other forms of transportation and choose the cheaper mode of transportation.

NOTE: *The FDIC will not reimburse travelers for the cost of renting luxury vehicles. Rental of 4x4s and vans require specific justification and approval.*

The FDIC will not reimburse the following for a rental automobile:

- PAI – Personal Accident Insurance
- PEC – Personal Effects Coverage.

Collision Damage Waiver (CDW) coverage refers to the cost of releasing the renter from liability for damage to the rented vehicle up to the deductible amount on the insurance otherwise included as part of the rental contract. The FDIC considers the cost of CDW coverage allowable, but such coverage should not be purchased if the law firm or individual traveler has other insurance covering such collision damage.

NOTE: *The FDIC does not insure law firms, their employees, or their vehicles for liability.*

TRANSPORT-ATION EXPENSES (cont.)

Common Carriers

When most advantageous to the FDIC, travel by common carrier is permitted. Some airlines do offer government discount fares, which are available to anyone traveling on official business for the government. You should make every effort to obtain such discount rates when you are traveling on official business.

Do not purchase tickets that have restricted, non-refundable rates.

NOTE: *Restricted, non-refundable rates should never be used for official travel. However, restricted discount fares that require only a nominal charge (e.g., $25.00 or less) to change travel, reissue a new ticket, or obtain a refund may be used, and the fee may be reimbursed by the FDIC. You cannot claim the original ticket or the reissued ticket until it is actually used for subsequent travel.*

WARNING: *The FDIC will not reimburse you for the cost of first class travel.*

Taxi Service

When on official travel, you may be reimbursed for taxi fares for the following:

- Local transportation when time or other factors make it impractical to use available public transportation
- Travel from your residence to the office on the day you are departing from the office on an official overnight trip, and from the office to your residence on the day you are returning to the office from the trip

TRANSPORT-ATION EXPENSES (cont.)

Taxi Service (cont.)

- Travel between the transportation terminal and your residence or office.

Valid receipts are required for all taxicab fares, including tips.

Baggage Handling

Charges for the handling of baggage, including FDIC property and any personal property necessary for official travel, are reimbursable as transportation expenses and include the following:

- The transporting of baggage in and out of a common carrier terminal or outside the lodging facility
- The storage of baggage when necessary
- The transporting of baggage that exceeds the weight or size carried free by the common carrier, when supported with a written justification explaining why you required the excess baggage for official business.

NOTE: *Charges for excess baggage unrelated to official business will not be allowed.*

Where practicable, allowable baggage handling charges should be paid in cash and claimed on the Law Firm Travel Voucher. Tips for baggage handling in excess of $1 per bag will not be allowed. You will not be reimbursed for unreasonable or unnecessary charges for handling baggage.

SPECIAL TRAVEL CIRCUMSTANCES

Special Allowance Travel

When you are in non-overnight travel status, away from your residence at least eleven (11) consecutive hours excluding mealtime, and the meal is specifically authorized, you should be reimbursed. The meal allowance is limited to no more than $12.00 and can only be claimed by submitting a copy of an original receipt.

When in a travel status of 24 hours or less, you can be reimbursed for one meal and authorized travel expenses.

NOTE: *Meals claimed while on one-day trips are considered taxable income.*

Extended Duty Travel

Travel for extended periods (greater than five continuous working days) may have special allowances, which you should address when negotiating the budget.

You may be reimbursed for the cost of returning to your residence every other weekend during the course of extended travel.

SPECIAL TRAVEL CIRCUMSTANCES (cont.)

Extended Duty Travel (cont.)

If you remain at the temporary duty location over the weekend, you cannot claim the higher cost of returning to your residence compared to the per diem and lodging expense of remaining at the temporary duty location over the weekend.

If you travel to a location other than your residence on the weekend, you must claim the lowest cost of either returning to your residence, remaining at your temporary duty location, or traveling to and from and staying at the other location.

Taking Leave While Traveling

What if I take leave while traveling? If you leave a temporary duty assignment for personal reasons while in travel status, you cannot be reimbursed for the cost of traveling from or returning to the assignment.

After leave, if you return to duty at a point other than the one originally left, reimbursement is permitted in an amount not to exceed the cost of direct travel between the duty assignments.

Tax Exemptions

Because you are providing services for the Federal government, Federal travel regulations apply to you. For example, you are entitled to tax exemptions in certain states and cities. Those areas where tax exemptions ordinarily are granted are the states of Texas, New York, Delaware, and Pennsylvania; the cities of Los Angeles, Fresno, Costa Mesa, New York, Tulsa, and Portland; and the city and county of San Francisco.

NON-REIMBURSABLE EXPENSES

You will not be reimbursed for the cost of travel for spouses, other family members, or friends. In addition, the following items are not reimbursable as separate itemized expenses:

- Snacks and alcoholic beverages
- Laundry, cleaning, and pressing
- Entertainment (e.g., movies)
- Travel insurance taken while traveling on temporary assignment
- Parking fines or fees for traffic violations
- Personal automobile expenses
- Expenses incurred from traveling by indirect routes for personal reasons.

WARNING: *If you lengthen a trip or incur any cost for personal reasons, or perform other work for your law firm that is not related to the FDIC, you will not be reimbursed for the increased cost.*

SHIPMENT CHARGES

In addition to subsistence and transportation expenses, freight and express shipment charges may occur. Freight and express shipment charges are not allowable, unless previously approved by the FDIC.

GETTING REIMBURSED

When you return from travel for the FDIC, you must submit:

- Law Firm Travel Voucher (including supporting receipts), along with the documentation listed on page 5-1.
- Travel Voucher Continuation Sheet (if necessary)
- Other supporting documentation.

Don't forget to submit receipts with your travel documents.

NOTE: *Except for per diem expenses, receipts are required for all expenses - regardless of cost - if a receipt is generally available for the type of expense you are claiming.*

Supporting Travel Documentation

You must submit supporting travel documentation with each invoice that includes travel costs. It is important to record:

- Departure time from the office or residence
- Arrival and mode of travel to each place on the itinerary
- Departure from each place on the itinerary
- Arrival and mode of travel back to the office or residence
- Time of each departure
- Time of arrival at each location.

GETTING REIMBURSED (cont.)

Supporting Travel Documentation (cont.)

The time allowed for transportation between your residence or office to arrive at an inter-city bus, railroad, or airport terminal should not exceed two hours immediately prior to the carrier's scheduled departure from the terminal, nor should the time to reach your original departure point exceed two hours after arrival at the terminal on the return trip. Weather delays are an exception. Make sure you show scheduled departures from and actual times of arrival at carriers' terminals on all Law Firm Travel Vouchers.

NOTE: *You must provide start and return times with the supporting travel documentation to demonstrate the number of quarters of the per diem allowance you are entitled to receive.*

PREPARING TRAVEL VOUCHERS

After completing your travel, you must submit a Law Firm Travel Voucher to the FDIC's Legal Information Technician so you can be reimbursed. Below you will find descriptions of how to claim the various expenses incurred during travel.

Lodging

Only claim lodging (plus tax) under the "Lodging" column. Claim parking or telephone charges added to the hotel bill under the "other" column.

PREPARING TRAVEL VOUCHERS (cont.)

POV

When using your car, all mileage claims must be reasonable and justifiable. You will be reimbursed for the distance between points traveled based on the **Rand McNally** standard highway mileage guide, with consideration given for residence and assignment locations within the particular communities.

You will be reimbursed for automobile parking fees, ferry fees, and road, tunnel, and bridge tolls at rates that are reasonable and customary within that geographical area. Make sure you submit an original receipt.

NOTE: *You cannot be reimbursed for the cost of repairs to a POV needed while on official travel.*

If you are a passenger in a POV either driven to the airport on your day of departure or picked up from the airport on the day of your return, parking fees paid while the driver waits for your arrival or departure, plus round trip mileage to the common carrier terminal, are reimbursable. However, parking fees and mileage for each POV round trip must not exceed the cost of a one-way taxicab fare.

Rental Automobile

Gas, regardless of where it is purchased, for a rental automobile should be claimed under the “other” column. You cannot claim mileage for a rental automobile.

PREPARING TRAVEL VOUCHERS (cont.)

Public Transportation

FDIC authorizing officials may designate certain geographical areas as public transportation areas when they are serviced by mass transportation systems.

As such, you should use public transportation for travel within a public transportation area wherever possible. When you use public transportation while on official travel, you can be reimbursed for parking and mileage to public transportation terminals at the appropriate rate. Public transportation does not include airport shuttles or other special commuter shuttles.

Courtesy Transportation

You should use courtesy transportation service provided by hotels or motels as a first source of transportation between your place of lodging at temporary duty assignments and common carrier terminals. You will be reimbursed for reasonable and customary tips when courtesy transportation service is used.

Transportation Tickets

You are accountable for all transportation tickets. You must submit the original passenger receipt for a transportation ticket with the original Law Firm Travel Voucher to support your claim for the transportation expense.

NOTE: *You must submit an actual receipt with your Law Firm Travel Voucher; the travel agency itinerary is not sufficient.*

PREPARING TRAVEL VOUCHERS (cont.)

Phone Calls

You will be reimbursed for local and long-distance telephone calls, which are necessary for performing official business, while you are in travel status. Identify these calls on the Law Firm Travel Voucher as official business calls. Calls relating to transportation and hotel reservations are also considered official calls.

Personal calls may be claimed at the actual/estimate amount, but must not exceed $3.00 per day. Document your calls on the Law Firm Travel Voucher as shown in this example:

3/4/97 Personal Call ≥ $5.36 - 505-555-1234

Claim $3.00 on the Law Firm Travel Voucher and keep a personal log or receipts.

NOTE: *You must bill travel time at 50% of the standard LSA rate (except for time spent during travel performing substantive work on a matter).*

Travel Voucher Preparation Steps

The following steps will help you complete the Law Firm Travel Voucher.

1. Itemize expenses and per diem in the categories indicated on the Law Firm Travel Voucher.

2. Reflect totals in the appropriate blocks.

Document expenses for each travel day on the Law Firm Travel Voucher.

PREPARING TRAVEL VOUCHERS (cont.)

Travel Voucher Preparation Steps (cont.)

3. In the "Nature of Expense" column, indicate the basis for all travel actually performed during the entire period covered by the Law Firm Travel Voucher.

4. The initial description line for either a deductible or nondeductible claim must include the specific name and location of the temporary assignment.

5. Provide a complete description of travel, extend the appropriate amounts, and calculate all subtotals and totals through line 19 of the Law Firm Travel Voucher.

6. Submit the Law Firm Travel Voucher, along with the documentation listed on *Page 5-1*, to the FDIC. For details, see Chapter 3 (Submitting an Invoice).

WARNING*: The penalty for an individual falsifying any item in the claim is forfeiture of the claim, along with a fine of not more than $250,000, or imprisonment for not more than five years, or both. A corporation may be fined up to a maximum of $500,000 (see 18 U.S.C. Section 3571 (c)).*

PREPARING TRAVEL VOUCHERS (cont.)

Checklist for Travel Vouchers

Use the checklist below to review all Law Firm Travel Vouchers before submitting them to the FDIC.

- ☑ Have you totaled the columns for each date of travel?
- ☑ Have you signed and dated the Law Firm Travel Voucher?
- ☑ Do your receipts contain the following information?
  - Name and address of payee
  - Name of payer (when available)
  - Date paid
  - Brief description of the items and/or services provided
  - Appropriate indication that the amount has been paid.
- ☑ Do the receipts match all expenses?
- ☑ Does the airline passenger receipt comply with coach fare travel requirements? Itineraries are not valid receipts, but should be included if possible.

Make sure you review the Law Firm Travel Voucher before submitting it to the FDIC.

PREPARING TRAVEL VOUCHERS (cont.)

Checklist for Travel Vouchers (cont.)

- ☑ Does the per diem rate match the current Maximum Per Diem Rate (refer to Appendix C)?
- ☑ Have you calculated the mileage? Does the mileage agree with the current mileage allowance?

FREQUENTLY ASKED QUESTIONS

Below you will find answers to questions often raised by Outside Counsel when interpreting travel policy.

On my last invoice, I forgot to bill the FDIC for my taxi charges while on travel. Can I still do so?

Yes, but only up to 90 days after returning from travel.

May I submit a copy of my credit card bill as a receipt for my airfare?

No. You must submit the passenger receipt as a receipt. The FDIC cannot accept a copy of a credit card bill or a boarding pass.

FREQUENTLY ASKED QUESTIONS (cont.)

I plan to order breakfast and dinner from my hotel room each day. I'm sure this cost will appear on my bill. May I also claim the total per diem each day?

No. If you are claiming the cost for meals on your hotel bill, you must deduct that dollar amount from your total per diem allowance each day. For example, say your hotel bill showed a total of $20.00 for meals one day. Your daily per diem allowance is $32.00 per day. You can only claim $12.00 per diem for that day.

I am traveling to San Francisco for the FDIC next month and will be there for two weeks. I'd like to stay over the weekend and do some sightseeing instead of returning home on Friday and flying back on Monday. Will the FDIC pay for my lodging over the weekend?

The FDIC may pay for your lodging over the weekend between your two-week trip if it is less expensive for you to stay in San Francisco rather than return home for the weekend.