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**PURPOSE**

To establish the Travel and Employee Expense Reimbursement Policy for the Michigan Department of Health and Human Services (MDHHS) and to provide guidance in interpreting the Standardized Travel Regulations issued by the Department of Technology, Management, and Budget (DTMB), the Civil Service Commission (CSC), the Internal Revenue Service (IRS), and the State of Michigan Financial Management Guide (FMG). This policy also provides guidance on all non-travel employee expense reimbursements.

**DEFINITIONS****Official Workstation**

*In-Office Workers* are those who work entirely from their reporting office, otherwise known as their Official Workstation (OWS). The OWS is the city and county surrounding the employee's work address (including home office locations) as designated by the Human Resource Management (HRM) location code or as otherwise indicated below.

*Remote Workers* are those who work entirely from their Remote Workstation (RWS). This includes the city and county surrounding the employee's remote address (including home office locations) as designated by Human Resources via the approved Remote Work Agreement. These employees have both a remote workstation and a reporting office known as their Official Workstation, as designated by Human Resource Management (HRM) location code or as otherwise indicated below.

*Hybrid Workers* are those who work partly from their Remote Workstation and partly from their Official Workstation. These employees have both a Remote Workstation as approved by Human Resources, and an Official Workstation as designated by the Human Resource Management (HRM) location code or as otherwise indicated below.

**Dual/Tri County Employees**

The workstation is the city and county in which the employee's official workstation is located.

The Lansing, Grand Rapids, and Detroit workstations consist of the following:

**Lansing Workstation**

Lansing, East Lansing, Dimondale, Secondary Complex, Okemos, Haslett, Williamston, Grand Ledge, Potterville, Holt, Mason, Bath, and DeWitt.

**Grand Rapids Workstation**

Grand Rapids, East Grand Rapids, Ada, Cascade, Comstock Park, Georgetown Township, Grandville, Jenison, Kentwood, Walker, and Wyoming.

**Detroit Workstation**

Bounded by Fourteen Mile on the north, Inkster Road on the west, Pennsylvania Road on the south, and the Detroit River and Lake St. Clair on the east and contains the following cities: Allen Park, Berkley, Beverly Hills, Beverly Park, Bingham Farms, Centerline, Clawson, Dearborn, Dearborn Heights, Detroit, Eastpointe, Ecorse, Ferndale, Franklin, Fraser, Grosse Pointe etc., Hamtramck, Harper Woods, Hazel Park, Highland Park, Huntington Woods, Inkster, Lathrup Village, Lincoln Park, Madison Heights, Melvindale, Oak Park, Pleasant Ridge, Redford Township, River Rouge, Roseville, Royal Oak, St. Clair Shores, Southfield, Southgate, Taylor, Warren, and Wyandotte.

**Select Cities**

Locations identified by the DTMB Vehicle and Travel Services (VTS) that qualify for higher reimbursement rates, lodging, and meals. Reimbursement for select city rates is based on the mailing address where the travel assignment is located.

**Expense Report Payroll Cycle**

All employee reimbursements follow the Human Resource Management (HRM) Payroll Processing Schedule. More information on this process can be found at the Office of Financial Management.

**Travel Status**

Business travel outside of the employee's OWS as defined in this item.

**POLICY**

MDHHS managers, supervisors, and contract administrators have the responsibility for planning, authorizing, managing, and monitoring employees' travel to comply with this policy and applicable provisions of state travel regulations, policies, and procedures established by DTMB, Civil Service Commission (CSC), the Internal Revenue Service (IRS), and the State of Michigan Financial Management Guide (FMG).

The following procedures and regulations offer guidance in the application of departmental practices and clarify existing regulations by illustrative examples of state policies and procedures.

This list comprises individual procedures and regulations that apply to all travel funded by the Department of Health and Human Services. All expense reports and/or advances must comply to these criteria:

- APA 230, MDHHS Travel and Employee Expense Reimbursement.
- State of Michigan Standardized Travel Regulations (STR).
- State of Michigan Administrative Guide to State Government.
- Travel Regulations issued by DTMB.
- IRS Regulations.
- State of Michigan Financial Management Guide

**Standardized  
Travel Regulations**

The reimbursement of expenses shall be made in accordance with the Michigan Department of Health and Human Services Travel Policy. The mileage and lodging rate schedule issued by DTMB lists the maximum amount that may be reimbursed, but only expenses incurred may be claimed. That is, expense reports will not be approved for expenses that exceed the maximum amount and must show actual costs incurred. The meal allowance program will also be calculated based on the qualifying meal rates determined by the DTMB standardized travel rates schedule.

**Essential and  
Efficient Travel**

All reimbursement of travel expenses by MDHHS shall be limited to that required for the conduct of state business according with the schedule of travel rates effective for each fiscal year. Travel shall be accomplished in a way the department has determined to be the

most economical and effectively supports the purposes and objectives of the department and the state.

## Reimbursement

All employee expense report and travel advance requests:

- Must be processed through the Employee Self Service (ESS) of the web-based SIGMA.
- Must be processed through a standard approval process of employee, supervisor, and MDHHS Travel Services. Additional levels of approval may be as directed by a bureau director.
- Will be audited by MDHHS Travel Services, see **Audit**.
- Must be paid through the payroll process.

Reimbursements will be included on the employee payroll checks and/or EFT deposit.

Failure to provide proper documentation will result in a rejection of an employee's reimbursement; see **Receipts & Documentation**.

Consecutive days travel must be input as one expense report into SIGMA ESS. Mileage lines for a multi-segment trip must be separated by date.

Expense reports should be submitted and approved within 60 days from the travel end date to ensure proper available funding.

Deposits will not be reimbursed, except in certain occasions with lodging; see **Hotels**.

Expense reports submitted after 60 days from when the expenses were incurred will result in 100 percent of the reimbursement request being subject to tax withholding; see **Taxes**.

Expense reports for a travel period where a temporary travel advance has been issued must be entered and approved within one month from the last date of the travel period. Failure to do so will result in the advance being pulled back and offset with the employee's payroll; see **Travel Advances**.

An employee cannot be reimbursed for another employee's expenses. Each employee must submit their own travel reimbursement request, unless authorized by Human Resources to use a designated Proxy.

Third Party Reimbursements are allowed in certain instances when the state employee's travel will be reimbursed by a non-State of Michigan entity. When this occurs, state employees must submit travel expenses in SIGMA.

### **Approval Path**

Expense reports submitted on SIGMA must be approved by the employee's supervisor prior to Travel's final review. During this stage, the expense report will be in pending status. Travel will then pre-audit each expense report and either approve or reject the report.

If an expense report is rejected, it will return to draft status. Explanation of the errors/issues will accompany the rejected expense report for the employee's convenience. Once all comments have been addressed and corrected, employees can resubmit it to their supervisor for approval.

If the expense report is approved, it will move to final status and no more changes can be made to it.

Expense reports must be fully approved by the employee's supervisor and the travel department by Tuesday night of a non-payroll week to appear in the next payroll. The system approval process follows payroll cycles and reimbursement is not always on the payroll date directly following your trip dates.

It is the employee's responsibility to manage and track their own reimbursements, as well as notify their supervisor when their approval is needed.

### **Case-by-Case Review**

Any travel related issues not addressed in this policy will be handled on a case-by-case basis and may require the approval of the employee's deputy director before reimbursement is considered.

Exceptions to this policy, identified during the accounting pre-audit process, are evaluated on an individual basis and may require MDHHS Travel Services or supervisory approval before reimbursement is considered.

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## Mileage

Reimbursable business mileage consists of miles incurred with a personal vehicle while in travel status. Mileage between an employee's home or remote workstation and their reporting office/Official Workstation is considered commuting mileage and is not reimbursable; see **Definitions**. Mileage driven to an employee's home for lunch is considered personal and is not reimbursable.

Employees assigned to the Lansing Workstation – Downtown Capitol Complex will not be reimbursed for mileage and/or parking within the Downtown Capitol Complex. A listing of these locations can be found on the DTMB intranet site.

Mileage between an employee's home and a second office may be reimbursable but is taxable and reviewed on a case-by-case basis.

### ***Personal Vehicle Usage:***

Mileage (both standard and premium rates) will be paid in accordance with the DTMB Standardized Travel Regulations.

To comply with the DTMB Administrative Guide to State Government, MDHHS will accept a supervisor's approval in the approval path as prior approval to use a personal vehicle, see **Approval Path**.

Usage of a personal vehicle is allowed only when the state vehicle is not available or it is determined to be the most cost-effective way of travel for a particular trip.

A permanently assigned state vehicle must still meet the minimum mileage requirements and be available for other MDHHS employees to use. Employees who refuse a permanent assignment of a state vehicle or elect to turn in a currently assigned permanent state vehicle will only be reimbursed at the standard mileage rate.

Charges for gasoline, lubrication, repairs, antifreeze, towage, and other expenditures will not be allowed as reimbursable items when privately owned vehicles are used.

Usage of a personal motorcycle for state business is not allowed by MDHHS.

***Point-to-Point Mileage:***

Point-to-point mileage claimed must agree with a current State of Michigan highway map and be the lesser of:

- Mileage from the Remote Workstation and/or the employee's home (or residence) to the assignment site and return to home.
- Standard point-to-point mileage from the employee's Official Workstation/Reporting Office to the assignment site and return to the workstation.

If a freeway route is faster but longer than a direct route, the longer distance will be allowed to save time. This exception should be noted on the expense report and a supervisor should be notified.

***Premium Mileage:***

Drivers are eligible to receive premium mileage rates when using a privately-owned vehicle for official state business if either:

- The driver has not refused the use of an available state motor vehicle.
- A state-provided motor vehicle is **not** available within the MDHHS workstation **and** within the DTMB motor pool. An explanation must be noted on the expense report and the written denial from the motor pool must be attached. The written denial must be for the person claiming reimbursement; using a co-worker's denial or a denial for a different date is prohibited.

***Vicinity Mileage:***

Vicinity mileage is defined as mileage driven in addition to the point-to-point mileage. This type of mileage must be shown separately from point-to-point mileage along with an explanation on the expense report.

Persistent claims of vicinity mileage of any amount may be questioned, and verification required.

***Carpooling:***

Carpooling is always encouraged as a method of efficient travel. If carpooling, the employee must list the driver and the people in the vehicle.

***Commuting Mileage:***

No mileage reimbursement will be allowed for travel between an employee's home address/residence and employee's official workstation, regardless of the workstation location or employee's designation.

Mileage driven to a commuter lot, common meeting point, etc., for carpooling purposes, can be considered commuting mileage and may not be reimbursed. This is reviewed on a case-by-case basis.

Mileage between an employee's home and a second office may be reimbursable, but taxable for IRS purposes, and is reviewed on a case-by-case basis.

**Car Rental**

All car rentals must be approved by the traveler's supervisor or designee before a reservation is made.

***In-State:***

Use state-owned or privately-owned cars for in-state travel. Please see the motor pool website on the DTMB Travel Services intranet for renting SOM vehicles.

Travelers are not to use commercial car rentals except under unusual circumstances or emergencies when necessary to accomplish the mission of the department.

When using a state vehicle, a Procurement Card (P-Card) should be used for all purchases of gasoline, lubrication, repairs, antifreeze, towage, and other expenditures. If the P-Card is unavailable or inoperable, personal funds may be used and reimbursed through the Expense Report process. Gas/Fuel should be reimbursed at cost, not listed as point-to-point mileage on the expense report. Please contact the Travel Department so we can ensure the correct funds are being used when seeking this reimbursement.

***State Vehicle Usage:***

See the MDHHS Vehicle Policies and the Vehicle and Travel Services websites for state vehicle usage policies and procedures.



***Out-of-State:***

A commercial car rental may be obtained with prior supervisory approval to accomplish the mission of the department when traveling out-of-state. These conditions must be met:

- Traveling to two or more locations at destination for business purposes only.
- No public transportation or taxi/limo service is available.
- Unusual circumstances or emergencies are encountered.

For approved car rentals, employees will pay the car rental agency as with any travel expenditure and must attach the original receipt and copy of the car rental contract to the expense report. Quotes will not be accepted as proof for reimbursement. No rental deposits will be reimbursed.

Only the portion of the car rental needed for business purposes will be reimbursed.

**Taxi, Shuttle, and Ridesharing**

Ridesharing, such as Uber, is reimbursable, however any extra fees or charges may be the employee's responsibility; see **Taxi, Shuttle, and Ridesharing Documentation**.

To travel between an airport, hotel, and meeting location(s), employees are to use shuttle transportation when available. Taxi cabs can be used if a shuttle is not available.

The actual cost of the transportation and tips (maximum 20 percent) will be reimbursed provided the amounts are included on the receipt.

**Commuting vs. Staying Overnight**

When a work assignment will require more than one consecutive day's effort, an overnight stay is recommended for destinations over 50 miles away from the employee's Reporting Office/Official Workstation or Remote Workstation, whichever is less.

Overnight stays at destinations under 50 miles are left to the traveling employee's supervisor for approval. If necessary, a cost

comparison, listing all hotel, meals, and mileage expenses can be done to determine the most cost-effective method as part of the basis for the decision. The cost comparison, or prior written authorization, should be attached to the expense report.

## Hotels

Please locate the Standardized Travel Rates for the current fiscal year on the DTMB intranet page.

Reimbursement is actual cost. Hotel reservations at or below the approved rate can be made by the traveler or through the state's contracted travel agency.

Hotel rates *above* the approved rate must either:

- Be reserved through the state's contracted travel agency, which can be found on the MDHHS travel intranet page.
- Have an attached an agenda/brochure from the event that lists the name and/or address of the official event hotel.

Taxes are reimbursable in addition to lodging expenses and should be included in the lodging total with an itemized receipt. Resort fees are only reimbursable if they are a mandatory charge by the hotel.

Valet will only be reimbursed if open parking is not available.

An internet access fee will be reimbursed during the hotel stay only if required for official business. This extra charge must be listed on the final invoice.

In the event where a hotel stay is extended for personal use, the lodging reimbursement and meal allowance period will end at the close of business day or the end of the last day of the conference.

Reimbursement will not be made for lodging at the homes of or other locations owned by relatives and/or friends.

Splitting hotel bills between employees is allowed, however each employee must list the name of the other employee(s) to compare reimbursement rates.

Use of Airbnb, vacation rentals, and any other bed and breakfasts are discouraged and will be reimbursed at the state approved lodging rate. Service fees and cleaning fees will be the responsibility of the employee and are not reimbursable.

Hotel deposits will not be reimbursed unless it is included in the final bill.

***Incidentals***

The IRS defines incidental expenses as fees or tips given to porters, baggage carriers, and hotel staff. An explanation for the incidental expense must be listed on the travel expense report to be reimbursed.

Incidentals can be reimbursed for no greater than \$5/day and can only be used once per day.

**Hotel Direct Billing**

Hotel direct billing is only allowed on a case-by-case basis and must be pre-approved by MDHHS financial operations. When hotel direct billing is not pre-approved, employees must pay for their own lodging and submit an expense report through SIGMA ESS.

For more information, please reach out to [MDHHS-Travel@michigan.gov](mailto:MDHHS-Travel@michigan.gov).

**Meal Allowance**

The meal allowance program allows for employees to enter a set meal rate for the specific meal(s) regardless of the cost incurred for the meal. An employee in travel status may claim the full qualifying meal based on the time they traveled and their destination. Meal rates are defined by the DTMB standardized travel rates.

Violation of the meal allowance program is a violation of the State of Michigan accountability plan.

Please locate the Standardized Travel Rates for the current fiscal year on the DTMB intranet page.

Travel status must be within these times to qualify for its corresponding maximum meal allowance rate:

<b>Reimbursable Meal</b>	<b>Travel begins before:</b>	<b>Travel extends past:</b>
Breakfast	6:00	8:30
Lunch	11:30	15:00
Dinner	17:30	20:00

An employee is not eligible for the meal allowance if they have:

- Purchased meals within their official or remote workstations.
- Purchased meals for guests, unless incurred when acting in a custodial capacity, which must be fully explained for reimbursement; see **Custodial Care**.
- Purchased by or for guests or non-employees of the MDHHS; see **Board, Committee Member, Non-Employee Travel**.

Receipts are not required to be submitted or retained.

Alcoholic beverages are not reimbursable.

Meals within an employee's Remote Workstation and/or Reporting Office cannot be reimbursed unless they are authorized by a sponsored conference or official meeting; see **Group Meal Rate** and [APA 231 Group Meetings](#).

### ***Group Meal Rate***

An individual should not seek the group meal rate unless otherwise asked to purchase one in conjunction with a prearranged and approved event.

Employees may seek reimbursement for their meal only. Individuals cannot be reimbursed for meals purchased for the entire group of attendees. The meal must be part of a conference, training, seminar, or meeting and fit the following conditions:

- When the meal is not provided by a catering service, employees are required to claim reimbursement for their own meals.
- Attendees are required to eat together as a condition of the event attendance.
- The meeting lasts a minimum of 5 hours and occurs during the mealtimes as listed in the standardized travel regulations.
- An agenda with a scheduled meal or refreshment break must be attached to the expense report.
- Cost per meal cannot exceed allowable stated maximum rates.

If a meal does not fit these conditions, the meal must be claimed as a standard meal; see **Meal Allowance**.

See [APA 231](#) for complete information regarding Group Meetings and catering. This process is not reimbursed through the employee Expense Report process and must be pre-authorized through APA 231 procedures.

### Out-Of-State Travel

When traveling out-of-state on official business, an MDHHS-5811, Out-of-State Travel Authorization, must be completed and fully approved by the requester's administration.

The approved MDHHS-5811 must be attached to the expense report.

Out-of-state travel with an approved Travel Authorization or Advance through SIGMA is exempt from the MDHHS-5811 requirements; see **Travel Advances**.

Emergency out-of-state travel related to youth placement is exempt from this requirement. The reimbursement request must have an explanation listed on the expense report.

If using a mode of transportation other than airplane, a cost comparison must be completed before booking the reservations. A copy of the comparison, or supervisory authorization, must be attached to the expense report.

To travel between an airport, hotel, and meeting locations(s), employees are to use shuttle transportation when available. Taxi cabs can be used if a shuttle is not available.

### Travel Advances

Travel advance payments will occur through SIGMA and will be included on the employee payroll check and/or electronic funds transfer (EFT) deposit.

Travel advance requests must follow SIGMA procedures by submitting through the Travel Authorization process and fully through the approval path process by Friday night of a payroll week to appear with the next payroll payment.

Submission of a travel advance request does not guarantee the advance request will be approved and issued.

The social welfare fund is not to be used for travel advances or early payment of an expense reimbursement.

The travel advance request must be submitted at least 3 weeks before the trip begins and be fully through the approval path process by Friday night of the payroll week prior to the desired payment date to ensure receiving the advance before the trip begins. No travel advances will be approved if the payment will be received after the travel begins.

Fully approved temporary travel advances will not be issued for less than \$250.00.

Travel advances will only be issued if the employee has no outstanding balances due to previous advances.

Only one advance can be issued at one time to an employee. If more than one advance is needed, an explanation must be included.

Travel advances cannot be issued for travel periods longer than 3 weeks.

Travel advances may not be requested for airfare, conference registration fees, tips/incidentals, or expenses paid by another entity. An explanation for the advance request is required and must include the estimated dollar amount for the full trip on the travel authorization. Airfare must be charged through the state's contracted travel agency and use the MDHHS Airfare Procurement Card; see **Air Travel, Train Travel, and Tickets**.

If the travel advance is issued for more than the actual incurred travel expenses, the excess amount will be recovered via a payroll adjustment.

## **Air Travel, Train Travel, and Tickets**

### ***Commercial Airlines:***

Air travel is limited to coach. First class or business class airfare will be allowable only under extreme emergencies documented in writing and approved by the employee's deputy director prior to making the travel reservations.

All air reservations must be made through the state's contracted travel agency charged to MDHHS's corporate account. Employees are not obligated to use personal funds to pay for airfare. Information on the state's contracted travel agency is found at the DTMB intranet page.

The arrival and departure dates may be extended to include extra weekend days if the stay results in a lower overall cost. A cost analysis and comparison must be attached to expense report and personal travel should be approved by the employee's supervisor.

Additional costs incurred due to changing travel arrangements for the benefit of the employee or for employee preference are at the employee's expense.

### ***In-State Air Travel***

Due to the high costs of in-state air travel, a cost comparison of in-state air travel vs. driving must be approved by the employee's supervisor prior to booking an in-state air travel ticket through the state's contracted travel agency.

Please attach correspondence to the expense report.

### ***State Plane***

A fleet of aircrafts maintained by the Michigan Department of Transportation, Michigan Aeronautics Commission, is available to state employees whose workstation is in the Lansing area. Planes are furnished at actual cost and can be used for both in-state and out-of-state travel.

Costs vary with the type of aircraft, flying time, and length of stay. Requests to travel by state plane should include cost comparisons with commercial aircraft or surface transportation. MDHHS financial operations director or designee must pre-approve the usage of state planes for travel. Once pre-approval is received, reservations can be made by contacting Air Transport Services. Employees could be held personally responsible for additional costs incurred when using the state plane without receiving pre-approval.

### ***Train***

Consider train travel vs. airline travel or vehicle when considering the most cost-effective mode of travel. This is most applicable when traveling to Chicago.

All train reservations must be made through the state's contracted travel agency and charged to MDHHS's corporate account. Employees are not obligated to use personal funds to pay for train fares. Information on the State's contracted travel agency is found at the DTMB Travel intranet page.

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**Receipts and  
Documentation**

Itemized, unaltered receipts **are required** for reimbursements of all lodging, rental cars, non-metered parking (if attainable), etc. unless otherwise indicated by an employee's union contract.

Employees are responsible to retain all receipts and documentation for up to 7 years following the travel for IRS purposes. Due to the type of paper used for many receipts which result in the ink fading over time, travelers are advised to make copies of all receipts. MDHHS Travel Services is not responsible for lost or illegible receipts.

Legible, unaltered receipts must be attached for all claimed items of expenses where receipts are required by the regulations, policies, and/or procedures. Receipts cannot be either a calculator tape or handwritten without sufficient justification on the expense report as to why a proper receipt was not provided to the employee.

All receipts and other documentation required for reimbursements must be attached in SIGMA. When scanning and attaching is not available, forward via email to MDHHS-Travel@michigan.gov for the audit process.

Claims where required receipts do not exist will be reviewed on a case-by-case basis. Accounting may question receipt copies on an as-needed basis.

***Parking Receipts***

Parking receipts are required for all claims (except metered parking). Metered parking must be clearly identified as such on the expense report.

Valet parking will only be reimbursed if open lot parking is not available.

Any parking tickets, violations, and/or fees are not reimbursable, and are the responsibility of the employee who incurred them.

***Lodging Receipts***

Lodging receipts must be itemized and show the hotel name and address, room rate, and the tax amount separate. In the instance where the lodging receipt does not clearly show the total amount



charged to the employee, accounting will require a copy of the employee's bank/card statement for additional documentation.

Lodging receipts must also show the hotel was paid in full and have a zero balance remaining. A quote or lodging confirmation will not be accepted; see **Hotels**.

### ***Taxi, Shuttle, and Ridesharing Documentation***

Public transportation receipts are required for all taxicab, shuttle, and ridesharing claims. The actual cost of the transportation and tips (maximum 20 percent) will be reimbursed provided the amounts are included on the receipt.

Ridesharing is permitted, but any additional company or transaction fees will be the employee's responsibility. An itemized receipt must be submitted.

### ***Other Documentation Required***

The following documentation, when applicable, is required for audit purposes to be forwarded to MDHHS Travel Services upon request. Items requiring documentation that are not attached will not be reimbursed.

- Conference/Meeting agenda; see **Hotels**.
- Cost analysis/comparison; see **Airfare, Mileage, or Hotels**.
- Request and denial from the state vehicle motor pool(s); see **Premium Mileage**.
- Explanations, if needed, to justify the reimbursement request if not included on the expense report.

MDHHS Travel Services will not review/audit an expense report until the documentation and receipts have been received and reviewed. Failure to provide these receipts and other documentation upon request will result in the reimbursement being disallowed and due back to the state if previously paid.

### **Move/Transfer to Another Workstation**

Expenditures incurred as a result of a move/transfer to another workstation must have prior written approval from human resources

and be attached to the expense report before reimbursement is considered; see **The DTMB Standardized Travel Regulations**.

### Custodial Care

An employee may request for reimbursement of the expenses incurred by a person in their custodial care as part of their official responsibilities. In this instance, the state rates and policies apply, however the mealtimes are flexible for client related meal purchases.

The name(s) or case/patient number(s) of the person(s) in their custodial care must be listed on the expense report along with the expenses incurred.

The only exception for employees is the destination of their meal purchase; employee's may be reimbursed within their workstation when a meal is purchased in conjunction with the custodian or client. Mealtimes are not flexible for MDHHS employee's and must fall within the meal allowance requirements; see **Meal Allowance**.

Emergency client purchases are reviewed on case-by-case basis.

### Client, Voucher, and Non-Employee Travel

Client, volunteer, and all other non-employee travel of MDHHS are required to follow the MDHHS policy, with the exception that meal receipts are required; see **Policy**.

Any receipts that do not adhere to the following requirements can be submitted for review with sufficient justification as to why proper receipts were not provided. MDHHS reserves the right to request additional documentation. Failure to provide the requested meal receipt(s) will result in the meal reimbursement being disallowed:

- Per the IRS, meal receipts must list the city of purchase, itemized list, date of purchase, total, and tip amount (if applicable). Meal reimbursement requires an itemized, legible, and unaltered receipt and is limited to the maximum amount listed in the schedule of travel rates. Any information that is missing from the receipt may be written. An explanation may also be given in writing.

Meal tips (maximum 20 percent) are included with the meal price in the maximum reimbursable amount. Meal tips are allowed only with

sit-down meals and must be indicated on the receipt. Tips on take-out, delivery services, and/or at fast food restaurants are not reimbursable. Delivery service fees are not reimbursable.

### **Contract Employee Travel**

All contract employees are required to follow the same policy and practices as MDHHS Employees; see **Policy**.

However, contract employees whose contract includes travel expenses cannot use the state's contracted travel agent to book airfare and hotels as their travel costs must be included in the contract.

This will be the decision of the supervisor of the contracted employee to determine qualifications, as accounting does not maintain or review contracts.

### **Board/Committee Member Travel**

Board and Committee members are required to follow the same policy and practices as MDHHS Employees; see **Policy**.

### **Taxes**

Federal income taxes on a day trip meal allowance or reimbursements (non-overnight) and other taxable travel are withheld and automatically deducted from travel reimbursement due to IRS regulations. The reimbursement and associated taxes withheld are reported on the employee's W-2.

Expense reports submitted after 60 days of when the expenses were incurred no longer qualify to be non-taxable, per IRS regulations. This will result in 100 percent of the reimbursement request being subject to tax withholding.

### **Insurance**

See State Administrative Guide section 0820.01, and the Standardized Travel Regulations.

### **Travel Discounts**

Travelers should identify themselves as state employees and take advantage of those facilities that offer discounts.

**Travel Scheduling**

Travel should be arranged by geographic area and on consecutive days in order to reduce overall mileage and travel time.

**Job Interviews**

The department does not reimburse employees for travel expenses for job interviews.

Travel expenses for hard-to-fill departmental jobs may be authorized. Written prior approval must be obtained by agreement between the hiring deputy director and MDHHS human resources for both in-state and out-of-state travel.

**Personal  
Expenditures/  
Leave**

All personal expenditures incurred as a result of personal leave in conjunction with a state business trip will not be reimbursed.

**Financial  
Enhancement**

Employees and contractual employees may seek reimbursement in accordance with applicable regulations to avoid the loss of personal funds in the conduct of state business; but they may not seek financial enhancement or benefit thereby.

**Audit**

All the following expense reports are audited, either via pre-audit or post-audit:

- Expense reports with out-of-state travel.
- Expense reports over \$750.00.
- Expense reports for non-travel expenses.

All the expense reports chosen for audits, either via pre-audit or post-audit will be processed ensuring compliance to these criteria:

- Standardized Travel Regulations
- APA 230, MDHHS Travel and Employee Expense Reimbursement, policy.
- State of Michigan Administrative Guide to State Government
- IRS Regulations

- State of Michigan Financial Management Guide

Adjustments identified during the post-audit process due to non-compliance may trigger a post-audit for additional expense reimbursements for an employee.

### ***Pre-Audit***

All MDHHS expense reports will be pre-audited before it is processed. There are two phases to their approval: an employee's supervisor must approve of the travel and Travel Services will approve based on the above compliance criteria.

### ***Post-Audit***

A minimum of 10 percent of the expense reports will be post-audited. If accounting does not receive the requested receipts(s) within the timeframe given or if any reimbursements do not comply with any of the compliance criteria, the reimbursed items are subject to being deducted from the employee's future paycheck in addition to any adjustments needed to the previously reimbursed amount.

Adjustments identified during the post-audit process due to non-compliance may trigger a post-audit for additional expense reimbursements for an employee.

### ***Overpayments***

The department has the right to require repayment of any excess reimbursement of travel expenses and outstanding advances to recover those excess reimbursements through the payroll process.

## **Year End**

Expense reports for the period ending September 30th of any year must be fully approved through the SIGMA approval process, generally by October 5. Slight year-to-year deviations from this date may occur and will be enumerated in year-end instructions issued by MDHHS financial operations. Expense Reports submitted after the year-end closing deadline will be paid with the new fiscal year budget.

## **Per Diem**

Per diem status is not offered to MDHHS employees for travel at this time.

**REFERENCES**

State of Michigan Administrative Guide to State Government

The Department of Technology, Management, and Budget

Vehicle and Travel Services

State of Michigan Standardized Travel Regulations

State of Michigan Financial Management Guide

IRS Regulations

**CONTACT**

For additional information concerning this policy, please contact the Travel Services Section within the Expenditure Operations Division at [MDHHS-Travel@michigan.gov](mailto:MDHHS-Travel@michigan.gov).