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## **Purpose**

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This policy is designed to assist employees understand and follow PacMtn's expense reimbursement process.

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## **Policy**

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### Overview

It is the policy of the Pacific Mountain Workforce Development Council (PacMtn) to pay for travel and incidental expenses, including meals, incurred by the PacMtn Board of Directors and/or staff when conducting the business of PacMtn, provided that those expenses have not been purchased on the company credit card or reimbursed by another entity. Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.

Additionally, the specific details regarding the request, approval and allowance for travel and other costs associated with Relocation is outlined and included below.

### TRAVEL EXPENSE REIMBURSEMENTS

#### Business Travel Authorization and Responsibility

PacMtn staff travel overnight and outside of the WDA must be preauthorized in writing by the Chief Executive Officer (CEO) or Chief Financial Officer (CFO).. Supervisors should verify that the travel is reasonable, necessary and within the budget before submitting for authorization.

Routine travel within the WDA and day trips outside of the WDA do not need preauthorization. Within 30 days of completion of the travel, the traveler must submit a Travel Reimbursement form along with supporting documentation to obtain reimbursement of expenses. The Travel Reimbursement form must be signed by the direct supervisor or CEO. In the case of the CEO's business travel, the authorization must be signed by the Board Chair or designee.

Foreign travel is prohibited

## Travel Coordinator

In order to streamline and manage travel/overnight arrangements effectively, PacMtn requires all travel bookings to be facilitated through Human Resources. They will be responsible for organizing travel logistics in a manner that ensures efficiency and cost-effectiveness. Exceptions to this can only be made upon receiving written consent from the CEO authorizing another individual to oversee travel bookings. This policy is designed to centralize travel planning, maintain consistency and uphold fiscal responsibility while allowing for flexibility under specific circumstances sanctioned by the CEO.

### **Compensation for Nonexempt Employees for Travel Time follows Federal Labor Standards Act (FLSA)**

**Home to Work Travel:** An employee who travels from home before the regular workday and returns to his/her home at the end of the workday is engaged in ordinary home to work travel, which is not work time.

**Home to Work on a Special One-Day Assignment in Another City:** An employee who regularly works at a fixed location in one city is given a special one-day assignment in another city and returns home the same day. The time spent in traveling to and returning from the other city is work time, except that the employer may deduct (not count) time the employee would normally spend commuting to the regular work site. Example: A Tumwater employee that normally spends ½ hour traveling from his/her home to his/her work site that begins at 8:00am is required to attend a meeting in Seattle that begins at 8:00 am. He/She spends three hours traveling from his/her home to Seattle. Thus, the employee is entitled to 2 ½ hours (3 hours less ½ hour normal home to work time) pay for the trip to Seattle. The return trip should be treated in the same manner.

**Travel That is All in the Day's Work:** Time spent by an employee in travel as part of his/her principal activity, such as travel from job site to job site during the workday, is work time and must be counted as hours worked.

**Travel Away from Home Community:** Travel that keeps an employee away from home overnight is considered as travel away from home. It is clearly work time when it cuts across the employee's workday. The time is not only hours worked on regular working days during normal working hours but also during corresponding hours on nonworking days. As an enforcement policy the Wage and Hour does not consider as hours worked that time spent in travel away from home outside of regular working hours as a passenger on an airplane, train, boat, bus, or automobile.

Example – An employee who is regularly scheduled to work from 9 am to 6 pm is required to leave on a Sunday at 3pm to travel to an assignment in another state. The employee, who travels via airplane, arrives at the assigned location at 8pm. In this situation the employee is entitled to pay for 3

hours (3pm to 6pm) since it cuts across his/her normal workday, but no compensation is required for traveling between 6pm and 8pm. If the employee completes his/her assignment at 6pm on Friday and travels home that evening none of the travel time would be considered as hours worked. Conversely, if the employee traveled home on Saturday between 9am and 6pm the entire travel time would be hours worked.

**Driving Time** – Time spent driving a vehicle (either owned by the employee, the driver or a third party) at the direction of the employer transporting supplies, tools, equipment or other employees is generally considered hours worked and must be paid for. If employers are using nonexempt employees to perform the driving, they may establish a different rate for driving from the employee's normal rate of pay. For example, if you have an equipment operator who normally is paid \$20.00 per hour you could establish a driving rate of \$13.50 per hour and thus reduce the cost for the driving time. The driving rate must be at least the minimum wage. However, if you do so you will need to remember that both driving time and other time must be counted when determining overtime hours and overtime will need to be computed on the weighted average rate.

**Riding Time** - Time spent by an employee in travel, as part of his/her principal activity, such as travel from job site to job site during the workday, must be counted as hours worked. Where an employee is required to report at a meeting place to receive instructions or to perform other work there, or to pick up and to carry tools, the travel from the designated place to the work place is part of the day's work, and must be counted as hours worked regardless of contract, custom, or practice. If an employee normally finishes his/her work on the premises at 5 p.m. and is sent to another job, which he/she finishes at 8 p.m. and is required to return to his/her employer's premises arriving at 9 p.m., all the time is working time. However, if the employee goes home instead of returning to his/her employer's premises, the travel after 8 p.m. is home-to-work travel and is not hours worked.

The operative issue regarding riding time is whether the employee is required to report to a meeting place and whether the employee performs any work (i.e. receiving work instructions, loading or fueling vehicles etc.) prior to riding to the job site. If the employer tells the employees that they may come to the meeting place and ride a company provided vehicle to the job site and the employee performs no work prior to arrival at the job site, then such riding time is not hours worked. Conversely, if the employee is required to come to the company facility or performs any work while at the meeting place then the riding time becomes hours worked that must be paid for. In my experience when employees report to a company facility there is the temptation for managers to ask one of the employees to assist with loading a vehicle, fueling the vehicle or some other activity, which begins the employee's workday and thus makes the riding time compensable. Therefore, employers should be very careful that the supervisors do not allow these employees to perform any work prior to riding to the job site. Further, they must ensure that the employee performs no work (such as unloading vehicles) when he returns to the facility at the end of his/her workday in order for the return riding time to not be compensable. Recently, an employer told me that in an effort to prevent the employees performing work before riding to a job site he/she would not allow the employees to enter their storage yard but had the supervisor pick them employees up as he/she began the trip to the job site. In the afternoon the employees were dropped off outside of the yard so they would not be performing any work that could make the travel time compensable.

Volunteer activities: Team-building opportunities must be paid if the activity is deemed mandatory for non-exempt employees. But if an employee volunteers at a company event (and is not REQUIRED to volunteer), the time isn't compensable.

Attendance at social events: Employers who host happy hours or networking events must pay non-exempt workers for attending, if their presence is required. If the event is optional, employees aren't entitled to pay, even if they attend.

Training and seminars: Attendance at such events is considered working time, unless all the following conditions are met, according to the FLSA:

Attendance is outside of the employee's regular working hours

Attendance is voluntary

The course, lecture or meeting isn't directly related to the employee's job

The employee does not perform any productive work during such attendance

Travel hours are not reimbursable for training and seminars when attendance is voluntary.

### Personal funds

PacMtn members and/or staff should review reimbursement guidelines before spending personal funds for business travel to determine if such expenses are reimbursable. See the Procedures section for details. PacMtn reserves the right to deny reimbursement of travel-related expenses for failure to comply with policies and procedures.

Expenses paid for using personal funds to facilitate travel arrangements will not be reimbursed until after the trip occurs and proper documentation is submitted to the Fiscal Department.

### Vacation concurrently with business travel

In such cases by which vacation time is added to a business trip, any cost variance in airfare, car rental or lodging must be clearly identified on the preauthorized in writing by the CEO or CFO. PacMtn will not prepay any personal expenses with the intention of being paid back later, nor will any personal expenses be reimbursed.

### Exceptions

Occasionally it may be necessary for travelers to request exceptions to this travel policy. Requests for exceptions to the policy must be made in writing and approved by the CEO or by the Chief Financial Officer. Exceptions related to the CEO's expenses must be submitted to the Board Chair or designee for approval. PacMtn will make every effort to review and approve any exceptions expeditiously.

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## **Procedures**

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## OTHER EXPENSE REIMBURSEMENTS

### Permissible prepaid travel expenses

Before the preauthorized travel, PacMtn may issue prepayments for airfare, lodging, rail transportation, rental vehicles, conference registration fees, and travel advances. Prepaid travel expenses will be on an actual, reasonable expense basis in accordance with the requirements of this policy. Applicable procedures and methods of payments for these prepayments follow.

1. Airfare
  - a. Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs.
  - b. Travelers are encouraged to book flights at least 30 days in advance to avoid premium airfare pricing. First-class tickets are not permissible. A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating.
  - c. Airfare may be purchased using a PacMtn credit card provided there is written authorization from the CEO or CFO and a completed Purchase Order.
2. Lodging
  - a. Travelers are expected to obtain the lowest available lodging that reasonably meets business travel needs.
  - b. Travelers are encouraged to book lodging at least 30 days in advance to avoid premium lodging pricing.
  - c. Lodging may be purchased using a PacMtn credit card provided there is written authorization from the CEO or CFO and a completed Purchase Order.
3. Rail transportation
  - a. Rail transportation may be purchased using a PacMtn credit card provided the cost does not exceed the cost of the least expensive airfare. There also must be written authorization from the CEO or CFO and a completed Purchase Order.
4. Rental vehicles
  - a. Rental vehicles may be purchased using a PacMtn credit card provided the cost is more economical than any other type of public transportation or if the destination is not otherwise accessible. There also must be written authorization from the CEO or CFO and a completed Purchase Order.
5. Conference registration fees
  - a. Conference registration fees may be purchased with a PacMtn credit card or check through the finance department with a completed and signed Purchase Order.
  - b. Business-related banquets or meals that are considered part of the conference can be paid with the registration fees.

### Reimbursements

1. Meals and Refreshments
  - a. Coffee, soda, water, light refreshments, etc. may be provided at any scheduled PacMtn Board or Committee meeting. A copy of the itemized receipt, meeting agenda and sign-in sheet must be provided for reimbursement of these expenses.

- b. An appropriate meal may be provided during or before any PacMtn Board or Committee meeting scheduled during the normal mealtime and/or to accommodate travel. A copy of the itemized receipt, meeting agenda and sign-in sheet must be provided for reimbursement of these expenses.
- c. When a meal is not provided, PacMtn members or staff conducting PacMtn business may be reimbursed for meals as detailed below.
- d. Meals and refreshments are reimbursable for in-state overnight travel that is 45 miles or more from the traveler's home or primary worksite. Meal reimbursements are at reasonable, actual costs when in approved travel status during normal mealtimes. Breakfast and dinner meals should only be claimed if travel is at least two hours before or after regularly scheduled working hours.
- e. In addition to meals, reimbursable incidental expenses such as laundry, dry cleaning and service tips (e.g. housekeeping) are covered.
- f. If a free meal is served on the plane, included in a conference registration fee, built into the standard, single hotel room rate or replaced by a legitimate business meal, the cost for that meal may not be reimbursed. A detailed schedule of the meals provided at the conference must accompany the reimbursement request.

## 2. Lodging

- a. Reimbursement for lodging is to be on an actual expense basis, as evidenced by an itemized receipt. Standard rooms should be booked when possible. Executive level or suites should not be booked and will not be reimbursed. If PacMtn members or staff wish to stay in upgraded accommodations reimbursement will only be allowed at the rate for a standard room. Lodging should be selected based on convenience to the traveler in relation to the nature of the business trip as long as the rates are reasonable for the given area. (The CEO or CFO may authorize an exception to this policy when lodging cannot be secured at the published rate and/or the lodging is in conjunction with a meeting held at the same location.)
  - i. Reimbursement for lodging expenses incurred at a facility within 50 miles of a PacMtn member or staff residence/office is not allowed except under at least one of the following conditions: An overnight stay is required to avoid having to drive back and forth to meetings on consecutive days.
  - ii. An overnight stay is required to avoid driving in severe inclement weather.
  - iii. An overnight stay is required to accommodate an early morning flight departure before 10:00 AM.
- b. The Travel Reimbursement form is required for lodging reimbursement.

## 3. Airfare

- a. PacMtn members and staff are expected to utilize the most economical means for travel. Use of a common carrier (airline, train, bus, etc.) will be reimbursed at the lowest rate documented by a fare comparison. Air travel requires prior approval from a supervisor and an original itemized airline receipt, an e-ticket receipt/statement or an internet receipt/statement must be provided for all reimbursement requests.
- b. Travelers are encouraged to book flights at least 30 days in advance to avoid premium airfare pricing. First-class tickets are not reimbursable. Coach class or economy

tickets must be purchased with a flight time totaling less than five consecutive hours excluding layovers. A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating

- c. Scheduled arrival time should occur at a time that ensures availability to ground transportation, meals, and hotel check-in.
4. Rail transportation
  - a. PacMtn will reimburse for rail transportation provided the cost does not exceed the cost of the least expensive airfare.
  - b. Members and staff must provide and original itemized receipt, original e-ticket receipt/statement or internet receipt/statement. The receipt must show the method of payment and indicate the payment was made.
5. Personal vehicles
  - a. PacMtn requires a valid driver's license issued within the United States and personal automobile insurance for expenses to be reimbursed.
  - b. Reimbursement for use of personal vehicles is based on the U.S. General Services Administration annual POV mileage rate.
6. Rental vehicles
  - a. Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original itemized receipts are required.
  - b. PacMtn authorizes reimbursement for the most economic vehicle available. In certain circumstances larger vehicles may be rented, with supervisory approval. The rental agreement must clearly show the date and the points of departure/arrival, as well as the total cost. Drivers must adhere to the rental requirements and restrictions must be followed. Original itemized receipts are required.
  - c. When vehicle rentals are necessary, PacMtn's insurance policy has coverage in place for hired auto liability. As the coverage is listed under the organization name, the vehicle should be rented in the name of the organization in lieu of the traveler's name, otherwise the coverage is void. All other insurance premiums will not be reimbursed.
  - d. Travelers are strongly encouraged to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expense fuel rates
7. Miscellaneous Travel Expenses

Miscellaneous travel expenses essential to the transaction of official PacMtn business are reimbursable. Reimbursable expenses include:

  - Taxi fares (including customary tips or gratuities, not to exceed 15% (rounded up to the nearest whole dollar), motor vehicle rentals, ferry, and bridge tolls.
  - Parking fees.
  - Registration fees required in connection with attendance at approved conventions, conferences, and official meetings.

- Purchase of supplies in an emergency is allowable.
  - Rental of room in a hotel or other place that is used to transact official business.
  - Charges for necessary office administrative support, when authorized by the Chief Executive Officer or designee. Fees paid for fax services or internet access.
  - The actual cost of laundry and/or dry-cleaning expenses, as evidenced by an itemized receipt, is authorized for employees or PacMtn members in continuous travel status for five or more working days. The cost of personal care attendant services, which are required by disabled employees or PacMtn members for them to travel, will be allowed as a miscellaneous travel expense. Such costs may include:
    - Fees and travel expenses of the attendant.
      - Baggage handler charges or gratuities but only if baggage handling services are required because the assignment has required him/her to transport large amounts of equipment or supplies; or if baggage handling services are required to comply with the Americans With Disabilities Act.
8. Business telephone calls will be allowed as a miscellaneous travel expense. Dial up access to business email or other business program is allowable. However, the employee/PMWDC member is responsible to inquire to ensure associated telephone charges are not unreasonable. A brief (10 minutes or less) daily phone call to home while in travel status to check on the welfare of family members is allowable.<sup>8</sup> For expenses to be reimbursed, the following must be provided:
- a. Itemized receipts or individual certification in the event a receipt is not available. Lost receipt form see attachment.
  - b. Documentation of travel by use of the Travel and Reimbursement forms, including the date of trip, reason for trip, location and miles traveled, and schedule or agenda must be submitted within 30 days of completion of the travel and advance approval if travel is out of the boundaries of the five counties comprising the Pacific Mountain Workforce Investment Area.
  - c. Reconciliation of travel advances by use of the Travel and Reimbursement forms, including the date of trip, reason for trip, location and miles traveled, and schedule or agenda must be submitted within 30 days of completion of the travel.
  - d. Approval, as follows:
    - i. Out of area travel must be approved in advance.
    - ii. Employee reimbursement must be approved by the supervisor
    - iii. PacMtn member reimbursement shall be approved by the CEO or designee.
    - iv. CEO reimbursement shall be approved by the PacMtn Chair or designee.
9. The CFO or designee shall review requests for expense reimbursement to assure that



reimbursement is only for allowable, reasonable costs within this policy.

#### 10. Unallowable Expenses

Certain travel expenses are considered as personal and may be associated with business travel and therefore not reimbursable. Such non-reimbursable expenses include, but are not limited to:

- Valet or room services, entertainment expenses, movie rentals and other items of similar nature.
- Any tips or gratuities, associated with personal expenses such as entertainment, concierge, etc.
- Parking fines, traffic violations, medical and hospital services incurred while on PacMtn business.
- Transportation costs between a place of residence and place of business.
- Alcoholic beverages.
- Airline upgrades.
- Commuting between home and the primary work location.
- Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion.
- Other expenses not directly related to the business travel.

11. An expense reimbursement file shall be maintained for PacMtn employees and members.

#### RELOCATION COSTS AND REIMBURSEMENT

Relocation costs are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period of not less than 12 months) of an existing employee or upon recruitment of a new employee.

Relocation costs are allowable, and if approved or offered by PacMtn, are subject to the limitations described in 2 CFR 200.464. paragraphs (b), (c), and (d).

Relocation costs allowed and approved for reimbursements must be as follows:

- The move is for the benefit of the PacMtn as the employer
- Reimbursement to the employee is in accordance with PacMtn policy and consistently adhere to by PacMtn.
- The reimbursement does not exceed the employee's actual (or reasonably estimated) expenses

Relocation cost and reimbursement may include:

- The costs of transportation of the employee, members of his or her immediate family and his household, and personal effects to the new location.
- The costs of finding a new home, such as advance trips by employees and spouses to locate living quarters and temporary lodging during the transition period, up to maximum period of 30 calendar days.

- The continuing costs of ownership (for up to six months) of the vacant former home after the settlement or lease date of the employee's new permanent home, such as maintenance of buildings and grounds (exclusive of fixing-up expenses), utilities, taxes, and property insurance.

Other necessary and reasonable expenses normally incident to relocation, such as the costs of canceling an unexpired lease, transportation of personal property, and purchasing insurance against loss of or damages to personal property. The cost of canceling an unexpired lease is limited to three times the monthly rental.

- Allowable relocation costs for new employees are limited to those described above

When relocation costs incurred incident to the recruitment of new employees have been charged to a Federal award and the employee resigns for reasons within the employee's control within 12 months after hire, PacMtn will refund or credit the Federal Government for its share of the cost.

The following costs related to relocation are unallowable:

- Fees and other costs associated with acquiring a new home
- A loss on the sale of a former home
- Continuing mortgage principal and interest payments on a home being sold
- Income taxes paid by an employee related to reimbursed relocation costs

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## References

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Travel Cost 2 CFR 200.464 paragraphs (a), (b), (c), (d), (e) and (f)  
Relocation Costs of Employees 2 CFR 200.464 paragraphs (a), (b), (c), and (d)  
ESD Policy 5413 Revision 1 Section 3 ii (1)

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**Direct Inquiries to:**  
**Pacific Mountain Workforce Development Council**  
**201 5<sup>th</sup> Ave SW Suite 401 Olympia, WA 98501**  
**Telephone: (360) 515-5134**  
**Email: [info@pacmtn.org](mailto:info@pacmtn.org)**

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