

ALABAMA WORKFORCE INVESTMENT SYSTEM

Office of Workforce Development
401 Adams Avenue
Post Office 5690
Montgomery, Alabama 36103-5690

September 21, 2005

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY1999-20, Change 9

SUBJECT: *Statewide WIA Fiscal Procedures Manual*

1. **Purpose.** This Directive transmits revised pages for the July, 2000 edition of the Governor's *Statewide WIA Fiscal Procedures Manual*.

2. **Discussion.** Effective September 1, 2005, the mileage rate paid to persons traveling in privately owned vehicles on official business for the state increases to 48.5 cents per mile through December 31, 2005. A copy of the State Comptroller's Memorandum and IRS notice of change are attached for reference.

Also, effective as of September 8, 2005, the \$50 per day for one overnight stay and \$66.66 per day for two consecutive overnight stays have been rescinded. The in-state per diem rate for overnight travel is \$75 per day. For travel in excess of 12 hours, but no overnight stay, the rate is \$30. Travel of six (6) to twelve (12) hours allows for a meal allowance of \$11.25. These changes necessitate a revision to the *Statewide WIA Fiscal Procedures Manual*.

3. **Action.** Please replace the existing pages VIII-4 and VIII-5 in the *Statewide WIA Fiscal Procedures Manual* with the following revised page:

VIII-4	(Revised 09/05)
VIII-5	(Revised 09/05)

4. **Contact.** Any questions regarding this Directive should be referred to Bill Hornsby, Supervisor, Workforce Development Division, State Programs and Divisional Budget Management Section. (Telephone: (334) 242-5847 or Email: billh@adeca.state.al.us).



Steve Walkley, Division Director
Workforce Development Division

Attachments

in accordance with applicable cost principles as listed in 29 CFR97.22(b) and the terms of the WIA grant agreement. A subrecipient's costs are not to be allocated based on availability of funds in the budget, but instead, must be allocated based on benefits received or effort given to the program.

These standards will apply regardless of whether a particular item of cost is treated as direct or indirect cost. Direct and indirect costs shall be charged in accordance with the criteria identified in 29 CFR97.22(b). Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable, rather determination of allowability in each case should be based on the treatment of standards provided for similar or related items of cost.

6. Source Documentation

The subrecipient must support accounting records with source documentation such as canceled checks, itemized invoices, paid bills, cost allocation plans, lease agreements or subcontracts. When costs are to be allocated, a worksheet must be maintained to document the proration of costs to various cost centers in accordance with the cost allocation plan and kept on file for audit purposes. Accounting records for matching funds or stand-in costs must be supported in the same manner as stated above.

7. Travel Regulations

All reimbursements for travel will be made with the travel regulations of the State as a guide. A waiver to allow subrecipients to use their own written policy may be granted on a case-by-case basis. Travel reimbursement amounts allowed by the Grantor may be less than those provided by these guidelines if the subrecipient's current established policy so states, but in no instance may they exceed the State limitations. A sample in-state travel reimbursement form is provided as a guide (see Exhibit J). This form or a similar form should be used when requesting travel reimbursement. The following are the State travel regulations effective April 1, 2003.

a. In-State Travel

- (1) For travel involving less than 6 hours, no meal allowance or per diem is allowed.
- (2) For travel of 6 hours to 12 hours, there is an allowance of \$11.25 for one meal, provided the travel is performed to a destination 25 miles or more from official base * or station (traveler's business address location).
- (3) For travel requiring more than 12 hours to a destination 25 miles or more from official base or station, a \$30.00 allowance is allowed when the trip does not involve * an overnight stay.
- (4) Effective September 8, 2005, overnight per diem will be set at the following rate: *
\$75.00 per day.

*Revised 9/05

If the normal rate of the subrecipient is less than the above-stated per day rates and the WIA agreement states a lesser rate, the lesser rate approved shall be used.

The term overnight, as used in Code of Alabama 1975, §36-7-20, as amended, means exactly what the word implies. The common law meaning of night usually means the period between sunset and sunrise. Another rule often applied is that night is defined as beginning thirty minutes after sunset and ending thirty minutes before sunrise. Individuals whose work hours are during the night period are in work status and are not entitled to overnight per diem. Employees within reasonable travel distance from their base are expected to return to base. Individual circumstance will determine what is reasonable but, generally, a trip of 100 miles or less one-way does not require an overnight stay. Exceptions to the policy may be approved by the department director.

- (5) Effective September 8, 2005, the per diem is \$56.25 for each day after a person in travel status has been stationed at the same place for two consecutive months. *
- (6) Effective October 1, 1999, the mileage rate is the amount allowed by the Internal Revenue Code for income tax deductions. As of September 1, 2005, the rate allowed by the Internal Revenue Code for business mileage is 48.5 cents per mile. If the normal rate of a contractor is less than the allowable rate and the contract states a lesser rate, the lesser approved rate shall be used. *
- (7) Claims for travel expense must be documented by reports containing the destination, date and time of departure and return, and a computation of the amount of reimbursement. The reports must be signed and dated by both the traveler and the person authorizing the travel. Copies of the travel reports must accompany the invoices under which the travel expense is claimed.

b. Out-of-State

Prior written approval from the Grantor is required for all out-of-state travel. Such approval must be requested by the subrecipient at least 10 days prior to the planned travel, by contacting the appropriate WIA agreement manager. Out-of-state travel expense for room and meals shall be reimbursed at actual costs, when such costs reflect reasonable rates. Room accommodations should be in the employee's own name and any charges for missed reservations shall be considered a personal expense. Air travel is booked for tourist class. If first class is booked, proof of non-availability of tourist must be provided. A sample out-of state travel reimbursement form is provided as a guide (see Exhibit K). This form or a similar form should be used when requesting out-of-state travel reimbursement.

Receipts are required to be submitted with travel reimbursement claims to be maintained as support documentation for the Subrecipient's Invoice Report for all transportation, meal, and hotel/motel lodging charges. These receipts must be from the establishment/transportation company. Copies of credit charges cannot be accepted as support documentation. The amounts paid as tips for food service, the transfer of baggage,



STATE OF ALABAMA
DEPARTMENT OF FINANCE
OFFICE OF THE STATE COMPTROLLER

RSA UNION
100 North Union Street, Suite 220
Montgomery, Alabama 36130-2602
Telephone (334) 242-7050
FAX (334) 242-2440

BOB RILEY
Governor

JAMES ALLEN MAIN
Director of Finance

ROBERT L. CHILDREE
State Comptroller

September 12, 2005

MEMORANDUM

TO: All State Agencies
Chief Fiscal Officers

FROM: Robert L. Childree *RLC*
State Comptroller

SUBJECT: Travel – Mileage Rate

Effective September 1, 2005, the mileage rate paid to persons traveling in privately owned vehicles on official business for the state will increase to 48.5 cents per mile. The mileage rate, which is paid in lieu of actual expenses for transportation, is in accordance with Act 99-362, which became effective October 1, 1999. This Act sets the mileage rate at the amount allowed by the Internal Revenue Code for income tax deductions. Therefore, mileage reimbursement for travel on or after September 1, 2005 will be calculated at the new rate of 48.5 cents per mile.

When calculating the amount to be reimbursed, all mileage listed on an expense account must be totaled and then multiplied by 48.5 cents, with odd amounts rounded up to the nearest cent. (Example: 111 miles X .485 = \$53.835 = \$53.84). Should you have any questions concerning this matter, please contact Kathleen Baxter at (334) 242-4857, or Lisa Chadwick at (334) 242-7061.

RLC: kdb



IRS Increases Mileage Rate Until Dec. 31, 2005

IR-2005-99, Sept. 9, 2005

WASHINGTON – The Internal Revenue Service and Treasury Department announced today an increase to the optional standard mileage rates for the final four months of 2005.

The rate will increase to 48.5 cents a mile for all business miles driven between Sept. 1 and Dec. 31, 2005. This is an increase of 8 cents from the 40.5 cent rate in effect for the first eight months of 2005, as set forth in Rev. Proc. 2004-64.

“This is about fairness for taxpayers,” said IRS Commissioner Mark W. Everson. “People are entitled to deduct the real cost of operating a vehicle. We’ve responded to the recent gas price increases by making this special adjustment so taxpayers get the tax benefit they deserve.”

In recognition of recent gasoline price increases, the IRS made this special adjustment for the final months of 2005. The IRS normally updates the mileage rates once a year in the fall for the next calendar year.

“With many predicting a decline in gas prices over coming months, we will hold off on setting the 2006 rate until closer to January,” Everson said. Next year’s rate could be lower than 48.5 cents.

While gasoline is a major factor in the mileage figure, other items enter into the calculation of mileage rates, such as the price of new vehicles and insurance.

The optional business standard mileage rate is used to compute the deductible costs of operating an automobile for business use in lieu of the extra burden of tracking actual costs. This rate is also used as a benchmark by the federal government and many businesses to reimburse their employees for mileage.

The new four-month rate for computing deductible medical or moving expenses will be 22 cents a mile, up from 15 cents for the first eight months of 2005. The rate for providing services for charitable organizations is set by statute, not the IRS, and remains at 14 cents a mile.

The annual Revenue Procedure includes limitations on who is not eligible to use the standard mileage rate.
