

3. Job-applicant Expenses (01/2021)

Job-applicant Expenses - The State Personnel Rules and Regulations permit an agency to pay the expenses for up to three applicants ([§81-1311\(10\)](#)) per position/opening for travel, meals and lodging incurred to travel to and from the prospective job/interview site. Agencies should follow policies established for employee travel when determining the amounts to be reimbursed and require the same documentation.

Items to consider are:

- Meals are reimbursable, if the applicant is on overnight travel. For guidance on calculating meal reimbursement, refer to Travel Policy #6 – Meals.
- Agencies should either arrange or grant prior approval of lodging to ensure the most cost effective lodging with consideration given to the proximity to the interview site.
- Agencies should either arrange or grant prior approval of airline reservations or other transportation in order to obtain the most efficient and cost effective travel.

All expenses should be coded to Job Applicant Expense, 522600, regardless of whether payment is to the applicant or a vendor that provided the services on behalf of the applicant. All transactions should include the applicant's name and the position for which application is being made.

NOTE: The University of Nebraska and the State Colleges have specific statutory authorization to pay expenses for the recruitment of academic, administrative, professional, and managerial personnel.

22. State Employee Expenses While Not In Travel Status ^(01/2021)

State Employee Expenses While Not In Travel Status - These payments are only allowable under [State Statute 81-1174](#) for attendance at official functions, conferences or hearings, not to include normal day-to-day operations of the department, agency, commission, council, committee, or board. These reimbursements shall be accounted for by using object code 571600, and reviewed for each employee based on IRS guidance. State Accounting Travel Policy #6 Meals contains instructions for this review.

If meals are included in the payments by the agency, a list of State employees attending the conference, official function or hearing must be attached to the payment document. The agency must identify for each employee their headquarter city. The disbursement document description **must** state whether this is an official function, conference or hearing and the disbursement document **shall** be signed or approved online by the **agency director**. If the agency director preauthorized (signed) the meal, the **original** preauthorization may be submitted in place of their signature, and the payment may be approved by an individual other than the director. The director's approval or preauthorization is only required for meals for employees who are not in travel status. Other employee expense reimbursements may be handled through the normal process.

It is the policy of State Accounting to allow agency directors to determine the definition of conferences, official functions and hearings, unless otherwise defined by Statute.

4. Lodging ^(01/2021)

Lodging - Employees shall report only actual expenses paid for lodging. Business telephone calls (Travel Expense Policy #10. Long Distance Telephone Calls) and parking charges incurred at the lodging site may be included on the lodging bill. Lodging expenses may either be directly billed to the agency or claimed on an expense reimbursement. If claimed on an expense reimbursement, detailed receipts for lodging are required to be filed with the claim. Lodging may be reimbursed when an employee is "away from home overnight". The Internal Revenue Service states: "You are away from home overnight if your duties require you to be away from the general area of employment for a period substantially longer than an ordinary day's work and, during released time while away, it is reasonable for you to need and to get sleep or rest to meet the demands of your employment or business. The absence must be of such duration that you cannot reasonably leave and return to that location before and after each day's work." Meals should not be charged to a hotel room and will only be reimbursed through the per diem process.

Sales to the State of Nebraska and its agencies are exempt from Nebraska sales, use and lodging tax. Therefore, if in-state lodging expenses are directly billed to the agency, the agency should present a completed copy of Form 13 (Nebraska Resale or Exempt Sale Certificate) to the lodging establishment.

It is State Accounting policy that a person generally be more than 60 miles from his or her workplace in order to be eligible for lodging. We realize there may be reasons to pay for lodging for distances less than 60 miles. Such reasons include, but are not limited to work requirements, medical conditions or weather; in those instances the reason must be clearly stated on the disbursement document.

5. Substantiation of Expenses ^(01/2021)

Substantiation of Expenses - Under the State's accountable plan, the Internal Revenue Service requires employees to substantiate the cost for travel, lodging, meals, and other expenses. To be reimbursed, the expense must be a necessary expense, incurred in the line of duty, reason/purpose of the expense must be clearly stated, all start/stop dates and times must be recorded, and the amount of the expense must be substantiated.

Adequate accounting generally requires the use of a documentation record such as an account book, expense diary or log, or similar record near the time of incurrence of the expense. Such log should list the date, amount, place (e.g. city) or description, and purpose for **each** expense. A combination of receipts and detailed itemization is permitted. Meals and incidental expenses are deemed to be substantiated under per diem allowances, and eliminate the need for substantiating actual costs. To satisfy the requirement of the accountable plan, the employee should complete the Expense Reimbursement Document correctly ([see instructions](#)) or utilize a documentation record to transfer cost information to the expense reimbursement form so reimbursement can be made.

A request for reimbursement (on an approved expense reimbursement document) for the incurred expense must be submitted by the employee to the appropriate agency office (business office, accounting office). To document that this requirement is met, the agency office will need to have an effective method of recording when the expense document was received.

Such request must be made not later than sixty days after the final day on which the expenses were incurred for which reimbursement is sought. This means that if travel occurs June 15 - June 18 and again on June 22 - June 25, the request for reimbursement may include both trips, but the request for reimbursement for the first travel period must be submitted no later than 60 days after June 18.

If an employee typically requests reimbursement for non-travel expenses and accumulates the receipts for which reimbursement is sought, each expense will have its own 60 day limit for reimbursement. (Travel is defined as being away from headquarter city longer than one day).

When a receipt does not provide the essential character of the expense, such as rate or period of use, the agency may require a copy of the rental contract or other billing as supporting documentation to substantiate the expense. For instance, vehicle rental receipts with only an amount would require additional documentation. Screen prints or other support of online purchases should be provided, if possible, to document purchases being made via the internet.

6. Meals ^(01/2021)

Meal expenses incurred during travel shall be reimbursed on a per diem basis pursuant to Neb. Rev. Stat. § 81-1174, based on the destination of the travel. The State per diem rates shall be 70% of the relevant federal rates (General Services Administration for travel within the contiguous United States). The Expense Reimbursement Document (ERD) will calculate the full reimbursement for each day based on the following:

- The Per Diem Rate shall be based on the original Destination City. (GSA Per Diem Rates)
- The first and last day of travel will be prorated at 75% of the State Per Diem Rate.
- Any meal that is provided shall be deducted from the daily Per Diem Rate. Examples include:
 - Meals included in Conference fee
 - Meals provided by Hotel
 - Meals purchased by 3rd Party
- Meals expense charged directly to and paid for by the State of Nebraska
- At the agency head's discretion, one-day travel meal expenses (breakfast and dinner only) may be reimbursed using State per diem rates when it is deemed necessary for the working conditions of the employee.
 - Breakfast - When an employee leaves for one-day travel at or before 0630 or 1 1/2 hours before the employee's shift begins, whichever is earlier, breakfast rate may be reimbursed.
 - Lunch - Noon meals for one-day travel are not reimbursable.
 - Dinner - When an employee returns from one-day travel at or after 1900 or 2 hours after the employee's shift ends, whichever is later, the evening meal rate may be reimbursed.
 - *NOTE: The time limitations set forth do not include the time taken for the meal.*
- Meal expenses incurred in the city or town in which the residence or primary work location of such employee is located, are not reimbursable, except as discussed in General Policy #22. State Employee Expenses While Not in Travel Status and Travel Expense Policy #3. Conference (attendance by State Employees).
- Actual expenses for group meals incurred by an agency on a purchasing card are allowable for official functions, conferences, or hearings.
- The IRS has taken the position that reimbursement for meal expenses incurred on one-day travel is taxable income to the employee unless such reimbursements are deemed "occasional". In order to monitor this provision, all such reimbursements for one-day travel shall be coded to account 571600 (meals – one day travel). When reimbursements for meals for one-day travel exceed \$200 per employee in any one year (December 1 through November 30), the entire amount of such reimbursements will be considered taxable income. If reimbursements for an employee are \$200 or more for any one year, the agency will enter a payroll one-time override using DBA 1005 for the total amount coded to object code 571600. This should be processed during the calendar year payroll. The reimbursements will be added to the employee's gross wages and payroll taxes will be withheld accordingly. Reimbursement to one employee for two or more employee's expenses will not be allowed for meals because of this provision. (Travel Expense Policy #9. Reimbursement to One Employee for Two or More Employee's Expenses)

8. Receipts (01/2021)

Receipts - Detailed receipts are required as support for all expenditures except per diem meals and immaterial items identified by the Director of Administrative Services. Common expenses requiring detailed receipts include, but are not limited to, lodging, car rental, commercial travel, and registration fees.

Detailed receipt is defined as a receipt that identifies the date, time, city, state, itemization of item(s) claimed, and the cost.

Immaterial items are anything less than \$10.00; however, you are required to substantiate immaterial items in a log, as described under Travel Expense Policy # 5. Substantiation of Expense).

In the absence of **detailed** receipts supporting an employee's claim, State Accounting requires a **signed written** explanation including one of the following:

- Copy of a cancelled check with purchase details;
- Charge card slip with purchase details; or
- Subsequently acquired receipt with purchase details.

If one of the above options cannot be provided, or where a receipt was not provided, the employee must create and provide a signed [affidavit](#). This policy is for the convenience of the agency and the employee. The absence of documentation may necessitate the discontinuation of this process and the subsequent inability to reimburse employees when detailed receipts are not available.

9. Reimbursement to One Employee for Two or More Employee's Expenses ^(01/2021)

Reimbursement to one Employee for Two or More Employee's Expenses - One employee may be reimbursed for actual expenses incurred on behalf of another State employee, such as when two employees sharing a motel room are billed jointly and one employee pays the bill. The employee to be reimbursed must provide the same detailed information that would have been required of each State employee had they been billed individually. In all cases when one employee is requesting reimbursement for expenses of more than one State employee, detailed receipt policies must be adhered to, employees' names listed and documents cross-referenced, when applicable. If two employees are billed jointly, but each pays half and each requests reimbursement separately, the documents must be cross-referenced, since one employee usually may not have a detailed receipt. An employee may not be reimbursed for another employee's meal per diem.