



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

George Fouts
Interim President

February 23, 2016

MEMORANDUM

TO: Chief Business Officers
Controllers/Bookkeepers

FROM: Brandy Andrews, Associate Vice President
College Finance & Operations

RE: Travel Mileage Rate Changes
New State Term Contract for Rental Vehicles

As previously discussed, the Office of State Budget and Management (OSBM) released a memo in January not only communicating the change in the IRS Mileage Rate (effective January 1, 2016) but also announcing changes to the Travel Policies and Regulations section of the Budget Manual reflecting the new state term contract with private rental car companies. This change is in response to State Motor Pool operations being phased out in January 2016.

As stated in 1H SBCCC 200.5 Expenditure of State Funds: Travel and Allowances, “State funds shall be expended for travel consistent with travel procedures prescribed by the Office of State Budget and Management in the State of North Carolina Budget Manual or a policy adopted by the college’s board of trustees that is more restrictive..”.

To comply with the Budget Manual, the following options and mileage reimbursement rates are available to colleges:

Vehicle usage 75 miles round trip or less:

- Use a college owned vehicle to maximize the usage.
- Use a rental car - utilizing State term contract through Enterprise Rent-A-Car, National Car Rental or Hertz.
- If employee elects to use a personal vehicle and the actual round trip mileage is 75 miles or less, actual mileage can be reimbursed using the IRS rate (54 cents) – or a rate adopted by the college’s board of trustees that is more restrictive.

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Vehicle usage over 75 miles round trip:

- **If the college is located in an areas in which the State term contract with Enterprise Rent-A-Car, National Car Rental, or Hertz IS available:**
 - Use a college owned vehicle to maximize the usage.
 - Use a rental car – utilizing State term contract through Enterprise Rent-A-Car, National Car Rental or Hertz.
 - If employee elects to use a personal vehicle and the actual round trip mileage is over 75 miles, actual mileage must be reimbursed no more than 34 cents per mile – or a rate adopted by the college’s board of trustees that is more restrictive.

- **If the college is located in an area in which the State term contract with Enterprise Rent-A-Car, National Car Rental or Hertz IS NOT available:**
 - Use a college owned vehicle to maximize the usage.
 - If employee elects to use a personal vehicle, actual mileage can be reimbursed using the IRS rate (54 cents) – or a rate adopted by the college’s board of trustees that is more restrictive.

These changes must be incorporated into your college travel reimbursement process – effective immediately. To assist in the understanding and implementation of these changes please refer to the January 8, 2016, OSBM memo <http://www.osbm.nc.gov/library/2015-16-budget-memos> and State Term Contract 975 B Vehicle Rental Services <http://www.pandc.nc.gov/975b.pdf>. We do expect further guidance (FAQ) from OSBM and will send colleges this information once it is available.