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Jeb Spaulding, Secretary

MEMORANDUM

TO: **Agency and Department Heads, Deputies and Business Managers**
CC: **Expense Coordinators, Labor Relations, Deb Ferrell, Harmony Wilder**
FROM: **Jeb Spaulding**
RE: **New Mileage Reimbursement Rates for Privately-Owned Vehicles**
DATE: **June 13, 2014**

Effective July 1, 2014, in addition to the "full" GSA mileage reimbursement rate, there will be a new "reduced" GSA mileage reimbursement rate for employee use of a privately-owned vehicle (POV) in the performance of official duties. Implementation of the ***reduced*** GSA mileage rate was negotiated with the respective bargaining representatives, and the use of two rates is a standard practice at the federal government level and in other states. **Primary objectives of this change are to reduce costs, encourage energy conservation and maximize the cost-effective utilization of State-owned vehicles.**

Official travel by vehicle is to be accomplished in the most cost effective method, primarily through the use of State-owned vehicles, including fleet vehicles, whenever available. All employees and departments are required to comply with the policies and rules prescribed by the Department of Buildings & General Services' Fleet Management Services (FMS). FMS provides guidance and tools to help determine the most cost-effective method of vehicle travel (e.g., department vehicle, fleet vehicle, rental vehicle, or mileage reimbursement). Generally, for trips of **80 miles round trip or more**, the use of a state-owned motor pool vehicle is the most cost effective means of travel (vs. mileage reimbursement). For employees of departments that maintain their own state passenger vehicles, use of those vehicles is the most cost effective method of travel for trips of any length. Contact Fleet Management Services for additional information at: fleet.services@state.vt.us.

Employees who choose to use a POV when a State vehicle is reasonably available and more cost-effective (*than full-rate mileage reimbursement*) are no longer entitled to reimbursement at the full GSA rate; instead the employee is responsible for claiming mileage reimbursement at the ***reduced*** GSA rate on their expense report. Employees and their supervisors are responsible for ensuring that all expense reports claiming mileage reimbursement are: 1) for official business travel; 2) necessary and actually incurred; and 3) claimed at the appropriate rate:

- **Full GSA Rate:** Use for mileage reimbursement claims for a POV - for trips below 80 miles, **or** when a POV is the most cost-effective option, ***or*** when a State vehicle (re: Department, FMS Motor Pool or Rental vehicle) is the most cost-effective option and a State vehicle is not reasonably available ***or*** when the department head has authorized use of a POV for a justifiable business reason (re: "best interest of the State").

→ Current per mile reimbursement full GSA rate is: $0.56 (as of 7/1/14)

- **Reduced GSA Rate:** Use for mileage reimbursement claims when a POV is **not** the most cost-effective option **and** a State vehicle is reasonably available.

  → Current per mile reimbursement reduced GSA rate is: $0.235 (as of 7/1/14)

Tools to assist employees and departments with determining the most cost-effective method of travel and in claiming the applicable mileage reimbursement rate include:

- **Bulletin 3.4: Employee Travel & Expense Policy** (Section 25. Transportation) has been revised to provide guidance, criteria and examples.

- The **VISION Expense** module is being modified to add *full* and *reduced* mileage **expense types** for employee use on their expense reports. Documentation on these changes will be sent to Expense Coordinators prior to July 1st.

- **FMS Trip Calculator** and **CARS** (Car Availability Rationalization System) **Vehicle Decision Matrix**:

  → http://bgs.vermont.gov/business_services/fleet/forms

Please ensure this important information is shared with all employees, supervisors and your department's expense coordinator(s).