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M E M O R A N D U M

DATE: July 7, 2016

TO: State Agency Chief Financial Officers

FROM: 
Ron Spilman, State Controller

SUBJECT: Travel Reimbursement Actual Expenditures – Receipts Required

Section 10-8 of New Mexico Statute, the Per Diem and Mileage Act, establishes travel reimbursement rates for public officers and employees. The Act covers a large portion of state employees including persons employed by any state agency, local public body or public post-secondary educational institution and whose salary is paid either completely or in part from public money. Regulations related to the Per Diem and Mileage Act may be found under NMAC Section 2.42.2.

Under statute, employees are provided two broad travel reimbursement options. The first option, provides for reimbursement using approved per diem rates. Per Diem amounts are statutorily established, all-inclusive rates for partial day and overnight travel. These allowances are paid without regard to whether expenses are actually incurred; receipts are not required when using the per diem rate. Alternatively, and with prior written Departmental approval, employees may elect to be reimbursed for actual expenses for actual lodging cost and actual expenses for meals, not to exceed various location related maximums. With the election to seek reimbursement of actual cost comes the associated responsibility to submit receipts for the actual meal and lodging expenses incurred. Once an employee has chosen this option, that employee must submit actual receipts for the expenses incurred. Under the Rule mentioned above, it is recognized that there may be circumstances where an occasional receipt may be lost and for such cases the Rule provides an affidavit procedure to seek reimbursement for that particular lost receipt. The Rule does not, however, contemplate the submission of an affidavit of lost receipt for all invoices during a trip, particularly on an habitual and continuing basis. Additionally, the maximum allowable amount for meals under the actual expense process was never intended to be a de facto per diem allowance. Neither of these practices comport with the intent of the Rule or the statute.

Due to repeated instances of what appears to be less than strict compliance with statute, effective immediately, travel reimbursements for FY17 and future years which seek travel reimbursements on an actual expenses basis must include original vendor issued invoices and service tickets. While affidavit for lost receipts will still be accepted, the expectation is that these will be the exception, used for the occasional misplacement of a receipt. Use of the affidavit will be modified to require the claimant to specify the date, time, nature, supplier and items procured; similar detail to that which would have been included on a vendor supplied receipt. To aid in fulfillment of this requirement, the affidavit of receipt form (attached) has been modified to assist with meeting the requirement.

Adherence to this requirement will prevent both an Agency and the Financial Control Division from knowingly authorizing payment in excess of the amount allowed by the Per Diem and Mileage Act and protect everyone from the penalties associated with violations of the Act. Questions related to the Per Diem and Mileage Act should be directed to the Agency CFO and FCD Audit Bureau.