

# Arizona School District Travel Reimbursement Changes and Tips to Avoid Common Travel Reimbursement Noncompliance

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## Increased Mileage Rate

The State of Arizona Accounting Manual was recently updated to allow for personal vehicle mileage to be reimbursed at 62.5 cents per mile, an increase from 44.5 cents per mile effective as of January 9, 2023! This means that eligible travel must have occurred on January 9, 2023, or later to be reimbursed utilizing the updated rate.

A common misconception with the use of the effective dates causing noncompliance is that whatever rate was in effect latest during the fiscal year is the rate that is applied regardless of when the travel occurred. Districts should remember that the 44.5 cent per mile rate was in effect prior to January 9, 2023 and that rate should be applied for travel costs incurred prior to January 9, 2023.

## **Other reimbursement Rate Changes**

Also updated in the State of Arizona Accounting Manual was the daily meal and incidental rates within the State of Arizona (increased) and for travel within the continental US (increased or decreased depending upon location). These updates also went into effect as of January 9, 2023. Again, these rates should be used for travel that occurs post the effective date and should not be applied retroactively. You can find the updated policies and rates here: [State of Arizona Accounting Manual – 95 “Maximum Mileage, Lodging, Meal, Parking and Incidental Expense Reimbursement Rates”](#).

## **District Policy Differences**

While these updates were a long time coming, it is always important to make sure to double check your district’s specific travel policy. The Uniform System of Financial Records (USFR) requires districts to adopt a governing board prescribed policy for reimbursing travel. Not all policies are alike, so you want to be aware of any potential nuances your policy may include. For example, some districts may require odometer readings or printed map with mileage included to be submitted with a mileage reimbursement, or some districts may or may not require receipts to be submitted with employee travel reimbursement claims.

## **Compliance Tips for Common Noncompliance**

In general, most districts do a good job following their district prescribed travel policies. But from time to time, there are noncompliance issues noted during the audit. Some tips to avoid common findings are as follows:

- Mileage reimbursements from an employee’s house to a temporary work post should be reduced by the employee’s “normal” commute miles (home to typical work post).
- One day meal reimbursements, if allowed by District policy, should be taxed as a fringe benefit.
- If lodging at a hotel exceeds the maximums allowed by the rates noted above, documentation of the conference hotel or “backup hotels” should be maintained (i.e. conference brochure that provides hotel and overflow hotel information).
- Check the State of Arizona Accounting Manual periodically, and potentially keep copies of the versions in effect during the fiscal year to ensure that the appropriate rates are being used for the travel time frame that is being reimbursed. Ensure current rates are updated on standard travel documents utilized by the district and that updates are communicated to employees.

Hopefully you find the above to be helpful. If you have any questions, please do not hesitate to reach out to your friendly auditors and consultants at HeinfeldMeech!

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