

# THE NAVAJO NATION

JONATHAN NEZ | PRESIDENT MYRON LIZER | VICE PRESIDENT



## MEMORANDUM

TO: Navajo Nation Programs

THRU:   
Pearline Kirk, Controller  
Navajo Nation Office of the Controller

FROM:   
Gerald W. Shirley, Accounting Manager  
Accounts Payable  
Navajo Nation Office of the Controller

DATE: March 9, 2020

SUBJECT: New Travel and Pcard Policies

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The Budget and Finance Committee has approved the revised Travel and Pcard policy (BFJA-04-20) which will apply for all **Externally** and **General** funded programs of the Navajo Nation. Planned implementation for the new policies will allow a transition period before enforcement of the policy. The transition period will be for the entire month of March 2020 and enforcement of the new policies **will go into effect April 01, 2020**.

The purpose of the transition period is to allow programs to plan and adjust travel accordingly prior to implementation of the new policies by the Accounts Payable & Pcard Sections. Contract Accounting department will also adopt and implement the new policy guidelines as part of their work. There will be **no compromise regarding the implementation** of the polices. Any travel and/or Pcard activity beginning April 01, 2020 will be governed by the new policies.

The new Travel and Pcard policy will be made available on the website for the Navajo Nation Office of the Controller along with additional information to differentiate the latest changes in the policy. Additionally, the Pcard section will incorporate the new policies in its scheduled training.

Office of the Controller

# The Navajo Nation

Travel Policies and Procedures Manual



# THE NAVAJO NATION – Office of the Controller

## Accounting Policies and Procedures Manual

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## Accounting Policies and Procedures Manual

DESCRIPTION:	Travel	INDEX:	
	Expense Management	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

**LEGAL AUTHORIZATION:** 12 N.N.C. § 201, *et seq.*; 2 N.N.C. § 106 (CAP-10-11), (CO-45-12); 17 N.N.C. § 205 *et seq.*; Internal Revenue Service Publication 643, *Travel, Entertainment, Gift, and Car Expenses*.

**PURPOSE:**

This section establishes policies and procedures related to the proper accounting and processing of travel authorization and expense reimbursements.

**RESPONSIBILITY:**

***Accounts Payable (AP) Section***

- Processing travel reimbursements after the travel expense report is reviewed for allowable cost, accurate totals, etc.
- Ensure the appropriate account is charged per type of expense.

***Purchase Card (P-card) Section***

- Audit of travel P-card packets in accordance with this policy.

***Contract Accounting Section***

- For grant funds, perform propriety review of the travel authorization form and supporting documentation prior to the submission to the AP section.

**POLICY:**

The Navajo Nation (Nation) is responsible for employees or council delegates on travel for tribal business. The Nation’s travel process is twofold.

1. A Travel Authorization (TA) is initiated when the form is prepared by the traveler and reviewed by the Approval Authority for allowable travel costs prior to the travel dates.
2. A Travel Expense Report (TER) is completed after the completion of travel dates. The reports must include all supporting documentation required under this policy (i.e. Trip Report and Mileage Report)

**Introduction**

This policy will be applied consistently between General Funds and Grant Funds.

This manual provides information about approved business travel. The Nation will reimburse regular status employees and council delegates for travel related expenses that has been approved by an authorized individual under the following circumstances:

- The traveler has adhered to policies and procedures;
- The travel expenses are necessary, reasonable and allowable;
- The traveler acts in a prudent manner when expending Nation and Federal funds;
- The expenses have a legitimate business purpose and are supported by appropriate documentation;
- All expenditures are accurately reflected in the appropriate general ledger account.
- All expense claims are subject to corrections and/or adjustments during the review pursuant to these policies.



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Unless specifically stated, employees and council delegates are referred to as “individual” or “traveler.”

Key travelers, such as political or professional “at will” individuals may run into situations where travel occurs prior to approval. In such cases, the traveler runs the risk of not being reimbursed for these travel expenses.

**1. Traveler’s Responsibilities** – Travelers should use discretion when expending Nation funds and ensuring expenditures are necessary and appropriate for meeting business needs. In addition, travelers are expected to:

- Be familiar with, and follow, the policies and procedures specified in this manual;
- Actual receipts for meals are required by non-card holders;
- Submit all travel expenses within the time frames specified in the “Accountable Plan Information” section below;
- Maintain an accurate record of daily expenses.

**2. Accountable Plan Information** – According to the IRS Pub. 463, for reimbursements or amounts paid directly by the Nation on behalf of the employee or council delegate, an Accountable Plan requires employees and council delegates to meet all the requirements listed below. The individual must:

- Have paid or incurred expenses while performing services as a Nation employee or council delegate;
- Adequately account for these expenses and return any reimbursement or allowance within a reasonable period\*.

*\*Based on IRS guidance, the Nation has determined that “reasonable” with regards to accounting for travel-related expenses to be 60 days from the last day of the trip. Therefore, to be reimbursed for travel related expense on a non-taxable basis, individuals must complete and submit their TER no later than 60 days from the last day of the trip. For more information regarding the Accountable Plan, please refer to Publication 463 at [www.irs.gov](http://www.irs.gov).*

Per IRS Pub. 463, the definition of reasonable period of time depends on the facts and circumstances of your situation. However, regardless of the facts and circumstances of your situation, actions that take place within the times specified in the following list will be treated as taking place within a reasonable period of time.

- You will receive an advance within 5 business days prior to departure.
- You adequately account for your expenses within 60 days after they were paid or incurred (i.e. submit your TER).
- TERs submitted after 60 days from the last day of the trip will not be processed for reimbursement regardless of justification.

Note: It is important that expenses be accounted for in the fiscal year (October 1 – September 30) in which they were incurred. AP will seek the approval of the Controller before processing reimbursements that cross fiscal years.

**3. Approval Authority** – All employees below the level of department director shall obtain the approval of their department director; all department directors shall obtain the approval of their division director; all division directors shall obtain the approval of the President of the Navajo Nation for the Executive Branch, the Speaker of the Navajo Nation Council (NNC) for the Legislative Branch, the Chief Justice of the Navajo Nation for the Judicial Branch. The Speaker of the NNC shall approve all TA forms for council delegates. The Controller or his/her designee shall approve the President’s, the Speaker of the NNC, and the Chief Justice’s TA forms.



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The Approval Authority is responsible for closely scrutinizing all travel by staff, especially for attending training and conferences that are off the Navajo Nation.

- 4. Falsification** – Falsifying travel documents is prohibited and will be handled pursuant to the applicable Nation Personnel Policies Manual and other applicable laws, rules and regulations.
- 5. Changes to Travel Policies & Procedures** – The Office of the Controller (OOC) will periodically review travel policies and procedures; revisions may be made as part of the review process. The Nation travelers will be advised of any changes; all changes and/or revisions will be published on the OOC's web page and will be effective when issued. Forms referenced throughout the manual are available on the OOC's website at [www.nnooc.org](http://www.nnooc.org).

### Travel Policies

**TA Forms** – Each traveler on Nation business travel must complete a TA form, and the form must be approved prior to the travel occurring. Travelers and Approval Authorities are to exercise prudent management of available resources. The Approval Authority is responsible for the review of the TA.

The purpose of the TA form is to document the authorization of allowable travel expenses. Specifically, it documents the traveler, department, business purpose, and an estimate of the travel expenses to be incurred. The TA form includes a section for the following costs:

- Mileage/rate
- Lodging
- Meals
- Miscellaneous
- Vehicle rental estimate
- Airfare estimate

**Travel Advances** – Regular status employees and council delegates who are non-Pcard holders are eligible for Travel Advances prior to their business travel.

- A regular status employee traveling under the authority of a specific Travel Authorization may request an advance against his or her salary to cover estimated travel expenses to be incurred. Temporary and Seasonal status employees are not eligible for travel advance against their salary.
- The maximum amount of the advance shall be the estimated allowable expenses incurred for Lodging and Meals.
- Travel advances that have been approved and paid to an employee shall be fully deducted from the individual's payroll check(s). Deductions for Travel advances will commence on the next payroll after the "Date of Return" on the Travel Authorization form. The request and acceptance of a Travel advance by employee or official authorizes this deduction.
- Employees cannot request a Travel Advance if there are two outstanding Travel Advances which have not been fully collected through payroll deduction.
- Travel advances shall be approved only if supported by a properly executed Travel Authorization, which includes all prescribed approvals, and estimate of expenses and the encumbrance of these expenses.
- All requests for travel advance shall be submitted to the Office of the Controller at least sixteen (16) working hours prior to the time of departure, except where time is extremely important.
- When travel is cancelled and a travel advance was issued, the travel advance check must be returned to Accounts Payable Section immediately to be voided.
- Employees must plan their trips efficiently and effectively, therefore, no modifications will be accepted regarding Travel Advances.



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1. **Mileage Reimbursement Rate** – Travelers are required to use Navajo Nation Fleet Management (Fleet Management) vehicles first, and only use a **Privately-Owned Vehicle (POV)** if a Fleet Management vehicle is not available. If the traveler decides to use a POV even though a Fleet Management vehicle is available, he/she may only request a reimbursement at the lower Federal GSA rate (if Fleet Management Vehicle is available). Alternatively, if Fleet Management vehicle is not available then the higher Federal GSA rate can be utilized. Refer to the OOC website for more updated rate information.

Additional requirements for use of POV, the operator should be licensed and have personal liability automotive insurance.

Local travel requires the use of Fleet Management vehicles. **Blanket Travel Authorization forms will not be accepted for local travel (50-mile radius).** Refer to Navajo Nation Motor Vehicles handbook.

In the event a traveler chooses a mileage reimbursement claim in lieu of reasonable airfare, the amount authorized for reimbursement is limited to the amount of the lowest logical airfare. Bridge and highway tolls and parking fees are reimbursable.

Official Duty Station:

- Employee – An official duty station is his/her primary place of work, as documented in the Human Resource Information System (HRIS). However, this can differ from the individual's primary place of residence, as documented in the HRIS. When claiming a mileage reimbursement, the mileage calculation should be performed from the destination to either the official duty station or the primary place of residence, whichever is shorter. Support for the mileage must be provided as identified by the OOC (Mileage Report). The Nation does not reimburse for commute time, which is defined as the distance between the primary residence and the primary place of work. The Nation does not reimburse for local travel, which is defined as a 50-mile radius from the primary place of work.
- Council delegate – An official duty station is his/her primary place of residence, as documented in the HRIS. Council delegates may only use the address within this system when requesting reimbursement for mileage.

The mile radius above is consistent with Federal Travel Regulations (41 CFR 300-3.1).

Expenses incurred due to automobile mechanical failure or accidents, including personal automobile insurance deductions are not reimbursed. Fuel and general wear and tear are not reimbursable as they are included in the mileage rate.

The Nation does not assume responsibility for deductibles or other uninsured loss to the vehicle.

2. **Lodging** – Allowable lodging is limited to the CONUS hotel rate for the destination city. Compliance with this section of the policy shall be determined based on the room rate alone, not including taxes and/or fees. If the city is not listed in the CONUS rates, then the lowest CONUS rate should be used. The traveler's personal preference in lodging shall be considered only when it does not result in an added expense to the Nation. Rates above the CONUS rate must be justified.

At times, it may be convenient or necessary to lodge in the private home of friends or acquaintances while traveling on Nation business. A token of appreciation for the host or hostess is appropriate, and expenditures of up to \$25.00 per night may be reimbursed. The employee shall attach a receipt or written justification by the owner of the house nothing that the expenditure was "in lieu" of lodging to the expense report.



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The traveler may choose to use a personal timeshare for lodging if business travel destination is in same location, however, the Nation will not reimburse the traveler for the value of their personal timeshare. Reimbursement will be based on the lowest CONUS rate for lodging.

3. **Meals** – The Nation shall reimburse the cost of meals when an individual is on official travel, by adopting as the policy of the Nation the federal policy reflected in the following table (CFR 41 CFR 301-11.101).

When travel is	Travel Days	Your allowance is
Less than 12 hours	Not Applicable	No allowance
More than 12 but less than 24 hours	One Day Travel	75 percent of the applicable M&IE rate for each calendar day you are in a travel status.
24 hours or more, on	The first day of travel	75 percent of the applicable M&IE rate.
	Full days of travel	100 percent of the applicable M&IE rate.
	The last day of travel	75 percent of the applicable M&IE rate.

In general, travel related meals will be reimbursed on an actual basis. Travelers using actual expenses may not exceed the CONUS rate for the travel location. If the city is not listed in the CONUS rates, then the lowest CONUS rate should be used. Amounts charged above these rates will not be reimbursed. Meals included as part of registration and conference fees shall reduce the maximum allowed for meals accordingly, unless the following apply:

- The individual is unable to consume the furnished meal because of medical restrictions or religious beliefs.
- The individual was unable to take part in a furnished meal due to the conduct of official business.

Meals incurred during travel defined as local travel are not reimbursable (50-mile radius).

#### 4. Miscellaneous

- **Telephone Calls/International Phone Cards** – Telephone calls, specifically those necessary to obtain transportation and hotel reservations or to communicate to the office or one’s family to indicate safe travel is reimbursable. A phone log must be completed and signed by the appropriate approval authority. Phone log forms can be found on the OOC website.
- **Tips** – Reasonable tips associated with baggage handling, storage, and other services are reimbursable at \$5.00 per day in total.
- **Travel Internet Connectivity** - Charges for internet connections for business use at hotels, conference sites, airports, and internet cafes while traveling are reimbursable with original receipts.

5. **Ground Transportation** – Reasonable charges for ground transportation such as taxicabs, shuttles, and internet-based transportation providers (e.g., Uber, Lyft) are allowed.

6. **Vehicle Rental** – Whenever possible, the traveler should use free hotel shuttles or public transportation. Rental vehicles are acceptable at a destination city when arriving by airplane, and public transportation is either more expensive or logistically unreasonable (e.g., lack of shuttle, excessive luggage). Compact vehicles shall be the standard authorization for individual travelers. However, mid-size or larger vehicles (excluding luxury



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transportation) may be used when transporting clients or when four or more individuals are traveling together and sharing a rental.

All accidents involving rental vehicles shall be reported to the rental agency, and a copy of the accident report and bill of repairs, if available, shall be attached to the individual's travel expense report. If the rental car is damaged, the rental company shall be instructed by the traveler to submit a claim to the Insurance Services Department, and the travel shall notify the Insurance Services Department in writing, including a detailed description of the damage and a police report. The Insurance Services Department shall then handle the matter. The traveler shall decline insurance coverage offered through the rental car agency.

The renter is responsible for payment of all citations issued to the driver of the rental vehicle.

- 7. Airfare** – Travelers can book airfare through the AP Operation's P-card or directly with the airline. Reasonable airfare will be reimbursed.

Only coach class or promotional fares will be allowed by the Nation. First class air travel is not an allowable expense; however, individuals are permitted to travel business class for international flights only. All travelers shall utilize the lowest logical fair, which is defined as the least expensive fare that falls within two hours of the preferred departure time, whenever possible.

Because most discounted fares require advance purchase, it is in the Nation's interest that individuals plan their air travel as far in advance as possible. All air travel shall be scheduled as soon as the TA is approved.

When personal travel is combined with business travel, only the business portion of the trip shall be reimbursed.

Travelers are responsible for any additional costs associated with changes made to travel plans made for personal reasons. Additional costs from changes to travel plans are allowed, provided proper justification is given. The traveler is responsible for any additional charges for missed flights or changes to itinerary, except when the circumstance that prevented the individual from adjusting his or her flight schedule was beyond his or her control such as a natural disaster or a Nation business obligation.

Because of difference in airline handling of cancelled flights, credits are not applied back to the card but to the traveler in the form of credit to be used at a future date. The credits not used for Nation business will be payroll deducted.

- 8. International Travel** – Any request for travel outside of the contiguous United States require the approval of the Navajo Nation President for the Executive branch; or the Speaker of the Navajo Nation Council for the Legislative branch, or the Chief Justice of the Navajo Nation for the Judicial branch. Travelers should refer to the Department of Defense website for lodging and per diem amounts outside of the contiguous United States.

**TERs** –TERs must be submitted within 60 working days of the conclusion of each trip.

Electronic receipts are acceptable provided that the detail contained in an electronic receipt is equivalent to the level of detail contained in an acceptable paper record (Facsimiles copies are not acceptable).

Trip Reports – A Trip Report shall be attached to the travelers' TER. A Trip Report is a form report addressed to the person who approved the TA. The narrative of the Trip Report shall include the following:

- The Travel Authorization number;
- Time of departure and return;
- The place(s) visited during the trip;
- The purpose of the trip;



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- The person(s) contacted during the trip;
- The business purposes accomplished on the trip; and
- The original signature of the traveler and approval authority
- Justification for unauthorized expenses.

**TA and TER Review** – The P-card Section shall deploy a risk-based approach to its review of TAs and TERs. The risk levels are as follows:

Risk	Criteria	Frequency
Low Risk	This designation is reserved for departments or programs that have demonstrated a historical pattern of compliance and timely submission of supporting documentation.	Semi-annual
Medium Risk	This designation is reserved for departments or programs whose submission of supporting documentation is at times incomplete or late. However, they demonstrate a pattern of compliance with P-card policies.	Quarterly
High Risk	This designation is reserved for departments or programs that have demonstrated a pattern of both untimely submissions of supporting documentation and non-compliance with P-card policies.	Monthly

### *Sampling Methodology*

In addition to the risk-based approach, the P-Card Section shall use sampling methodology to select TERs for testing each frequency period above.

Risk	Frequency	Sample Methodology	Sample Size
Low Risk	Semi-annual	Low-risk sample	25
Medium Risk	Quarterly	Medium risk sample	40
High Risk	Monthly	Known non-compliant cardholders	Not applicable

The P-Card section will select a random sample of departments or programs for each risk level based on the sampling methodology. The P-Card Section will review all transactions for the selected departments.

The P-Card section will utilize an acceptable difference of plus or minus 5% or \$25 when reviewing transactions, whichever is lower. If a transaction does not agree to the supporting documentation within this acceptable difference, the transaction can be approved.

**Non-reimbursable Expenses** - Travel expenditures that are not reimbursable include, but are not limited to:

- Costs incurred by your spouse or other dependents traveling with you, excluding reasonable accommodation costs for an employee with special needs (41 CFR 301-13.1-3).
- Personal use and “snack” purchase outside of normal meal purchases.
- Additional travel insurance, travel accident insurance or trip cancellation premiums.
- Alcoholic beverages consumed as part of a meal or otherwise while traveling on the Nation business.
- Insurance (both Collision Damage Waiver and Liability) from a car rental agency.



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- Additional expenses associated with the cost of first-class airfare.
- Costs for commuting between your home and place of employment.
- Costs for personal medications.
- Costs incurred by your failure to cancel transportation or hotel reservations.
- Entertainment expenses, including movies in your hotel room and restaurant games.
- Gasoline expenses when the automobile mileage reimbursement rate is claimed.
- Magazines or newspaper expenses.
- Kennel/boarding for pets.
- Hairstyling and haircut expenses.
- Laundry or dry-cleaning expenses for trips less than one week.
- Other expenses not directly related to the business purpose of the travel assignment.
- Fines incurred for parking or speeding tickets.

Non-reimbursable expenses incurred on the Nation P-card will be recouped through a payroll deduction.