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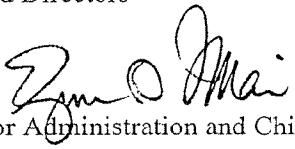
## UNIVERSITY OF HAWAII

VICE PRESIDENT FOR ADMINISTRATION  
AND CHIEF FINANCIAL OFFICER

November 1, 2001

### ADMINISTRATIVE PROCEDURES MEMORANDUM NO. 00-8

TO: Senior Vice President and Executive Vice Chancellor  
Senior Vice Presidents and Chancellors  
Senior Vice Presidents  
Vice Presidents  
Chancellor  
Executive Director  
Manoa Deans and Directors  
Directors

FROM: Eugene S. Imai   
Vice President for Administration and Chief Financial Officer

SUBJECT: **ADMINISTRATIVE PROCEDURES**

Administrative Procedures A8.852 Personal Automobile Mileage Voucher is revised to reflect the following change.

- 1) Mileage reportability for non-employees will be handled like employees. Non-employees will be allowed to deduct the federal allowable amount. The portion of the mileage reimbursements claimed by non-employees for amounts at or below the Federal rate will not be reported. Only the portion higher than the Federal allowable rate will be reported on a 1099.
- 2) Inclusion of Bargaining Unit 08 for partially subsidized parking within the University's parking facilities.

Should you have any questions with the procedure, please call the Disbursing Office at 956-6621.

Prepared by the Disbursing Office  
This replaces the Administrative Procedure No. A8.852  
dated January 1997

A8.852  
November 2001

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A8.800 Disbursing/Accounts Payable and Payroll

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A8.852 Personal Automobile Mileage Voucher

1. Purpose

To provide personal automobile mileage and parking fee reimbursement procedures under the authority of the Board of Regents Policy, Part D, Chapter 8-7, and in accordance with the Internal Revenue Service requirements and collective bargaining agreements.

The FMIS-33, Personal Automobile Mileage Voucher (Attachment 1) serves as a payment document to process mileage and associated parking fee reimbursements and as a support document when mileage or parking fees are reimbursed via a travel completion report or purchase order.

2. Applicability

Each office which authorizes employees and non-employees to use privately owned vehicles for **official University business** must insure that the FMIS-33 is prepared in accordance with the procedures specified herein.

The IRS assumes the use of an employee's and non-employee's car is for personal use unless otherwise documented/logged as a business trip. Car usage for business purposes must be accurately accounted for. Mileage reimbursements that do not qualify per the IRS as business related and appear to the IRS as a reimbursement of mileage incurred of a personal nature will be reported in their entirety as income to the recipient.

The determining factor whether mileage is incurred in the course of business or is of a personal nature will be determined as to who benefits by the mileage/trip. If the University substantially benefits it will be considered business. If the employee/non-employee benefits then it will be considered personal.

Mileage reimbursements should not be made for personal trips. However, with the various types of monies the University handles, a fellowship or traineeship budget may include mileage

reimbursement for mileage incurred in the course of study. The IRS classifies this as a personal trip and requires the reimbursement to be reported in its entirety as income.

3. Guidelines

a. Mileage

- 1) University department/organization heads or program directors may authorize any employee or non-employee to use privately owned vehicles for official University business on a mileage basis when publicly owned vehicles at University departments and at the University Transportation Service are not available or are not practical to use. Appropriate subcodes are to be utilized to identify employee and non-employee (Attachment 2).
- 2) Mileage reimbursement may be authorized for transportation from place to place as required in the normal course of an employee's or non-employee's performance of assigned duties. This includes mileage to and from transportation terminals in conjunction with official travel off the island on which the employee or non-employee has his regular place of business. Whenever applicable, such mileage claims shall be documented on the Personal Automobile Mileage Voucher and processed for payment on a travel completion report.
- 3) Travel between an employee's or non-employee's home and his/her regular place of business is not considered official business, and no mileage or other reimbursement is allowed for such transportation except as set forth below:
  - a) If it is more practical to drive directly from home to a job site or other place of official business, without first driving to the regular place of business, the employee or non-employee may be reimbursed for mileage which exceeds the number of miles normally traveled between home and his/her regular place of business. This rule of excess mileage also applies when an employee or non-employee departs on official travel if it is more practical to drive directly from home to the transportation terminal without first driving to the regular place of business.

- b) Mileage reimbursement is allowed when travel between home and a business destination or between home and a transportation terminal occurs outside normal working hours and provided such travel is approved by the department/organization heads or program directors.

If the travel occurs on a normal working day and at a time that the employee or non-employee usually commutes to or from work, such mileage reimbursement is allowed only for the miles in excess of the usual commuting trip.

If the travel is due to overtime work on a normal work day, reimbursement for mileage may be allowed only for the miles in excess of one roundtrip between home and the regular place of business.

- 4) To qualify for the mileage allowance, each employee/non-employee must carry the minimum liability insurance as required by the Hawai'i Revised Statutes, Chapter 431:10c-104.

b. Parking Fees

- 1) Parking fees are reimbursable when incurred in connection with authorized use of privately owned vehicles for official University business. This includes parking fees substantiated with receipts as well as metered parking specific to trips for which mileage is claimed.
- 2) Parking expenses associated with the authorized use of State and University owned vehicles as well as public bus fares incurred while on official business are not to be claimed on the Personal Automobile Mileage Voucher. They are to be reimbursed with Departmental Checking System/Imprest Check/Petty Cash funds or processed via the FMIS-2, Authorization for Payment Form.
- 3) Fixed parking fees, such as fees paid on a monthly basis, are reimbursable (based on the collective bargaining schedule) if all of the following conditions are met:
  - a) the employee is covered by a Bargaining Unit agreement which provides such reimbursements.
  - b) the employee is required to use a personal vehicle in connection with his/her work (see below for

qualifying criteria) and

- c) the employee parks at a parking facility under the jurisdiction of the State Department of Accounting and General Services, the City and County Building Department, or a commercial parking facility.

Note: University parking facilities do not fall within any of the above categories, with the exception of subsidies granted UHPA, B.U. 07 and HGEA, B.U. 08.

- 4) The following criteria are to be used to identify employees whose work allow the reimbursement of fixed parking fees.
  - a) The duties and responsibilities of the position require the incumbent to possess a valid motor vehicle license and to use his/her personal vehicle on a regular and frequent basis in order to carry out work assignments. Furthermore, an applicant or employee who does not possess a valid motor vehicle license or a personal vehicle that can be used for business purposes would not be hired nor retained in such positions.
  - b) Travel by public transportation to work locations is impracticable.

c. Reimbursement Rates

- 1) Mileage and fixed parking reimbursement rates are governed by the collective bargaining contract in effect at the time of travel. Whenever there is a conflict between the rules and regulations set forth in the Administrative Procedures Manual and the provisions of a collective bargaining agreement that is currently in force, the provisions of the collective bargaining agreement shall prevail.
- 2) Excluded employees under Chapter 89 shall receive the same application of such provisions as employees included in the bargaining unit.
- 3) Rates are published by Business Affairs Circulars. See Section 4. Tax Implications.
- 4) Mileage allowance rates for motorcycles shall be one-half the applicable rate for automobiles.
- 5) Mileage allowance rates for Non-Employees are

determined between the payor and payee at a rate not to exceed the Collective Bargaining rate.

d. Alternative Method of Payment

1) Travel Completion Report for Employees

The FMIS-33, Personal Automobile Mileage Voucher, in itself, may be used to process mileage and parking fee reimbursements. However, all travel-related mileage/parking fee reimbursements should be processed for payment on a completed FMIS-4, Employee Travel Form (Refer to A8.851 - Out-of-State and Intra-State Travel) and properly supported by the FMIS-33. The FMIS-33 must still be prepared with all relevant information entered, with the exception of the Program Approving Authority and the Fiscal Officer signatures. Authorization/Approvals on the completed FMIS-4, Employee Travel Form will suffice for both forms.

2) Purchase Order for Non-employees (Independent Contractor)

For mileage reimbursements, FMIS-33 should be submitted (or the information contained on FMIS-33 be provided) to assure IRS rules of substantiation are met as to business purposes, destinations, dates, and amounts. In the event FMIS-33 or the necessary information is not submitted, the amount will be reported. FMIS-33 as a support need not be approved/authorized, the authorization/approvals signatures on the purchase order will suffice for both forms.

e. Restricted Method of Payment - Departmental Checking System/Imprest Check/Petty Cash

Departmental checks, Imprest checks or petty cash shall not be used to process mileage reimbursements (Refer to; A8.844 - Departmental Checking Account or A8.826 - Imprest Checking Account).

4. Tax Implications

a. Employee

Mileage paid in excess of the Federal allowable rate must be processed as taxable income with appropriate tax withholding through the State Payroll System. These taxable amounts will increase the employee's Federal, State, and FICA taxable income and will generate additional withholding assessments against gross payroll wages.

These types of payments are not payroll payments, but serve to increase taxable income and are defined as Wages-in-Kind. The Employee's Earning Statements will reflect only the taxable amounts in the "Wages-in-Kind" block.

If a portion of the employee's payment is taxable, the non-taxable portion must also be reported as wages-in-kind in the State Payroll System for informational purposes only. The reportable and non-taxable (coded "L") portion of the payment will only appear at calendar year end on the IRS Form W-2. The reportable portion will not be presented anywhere on the Employee's Earning Statement.

If an employee for some reason accepts a mileage reimbursement rate that is equal to or lower than the Federal allowable rate, then there is no taxable amount and the total amount should not be reported (see Attachment 2 for applicable subcodes). The employee should certify by statement on the FMIS-33 form that he/she is accepting the Federal allowable rate (i.e. "I certify the acceptance of the Federal allowable rate in place of the collective bargaining rate.").

Updates to the Federal allowable mileage rate will be distributed by the Disbursing Office as required in a Business Affairs Circular.

b. RCUH/State Employee

For mileage payments paid by the University to RCUH/State employees other than UH employees, the UH cannot report the mileage payment through the UH payroll system. As such, the RCUH/State employee must be coded with a Non-employee, Non-reportable subcode. A copy of the FMIS-33, Personal Automobile Mileage Voucher will be forwarded by the Disbursing and Payroll Office to the applicable RCUH/State department/agency for processing through payees' Payroll Section. Reportable and taxable income with appropriate tax withholding (i.e. On FMIS-33 form, check box Non-employee and indicate type, State w/ DOE) will be recorded and processed by their respective Payroll Sections for IRS Form W-2 reporting.

c. Non-Employee

Mileage payments to non-employees must be prorated between the amount at or below the federal rate and the amount above the federal rate. The amount at or below the federal rate is non-reportable as long as payments are substantiated as to the business purposes, destinations, dates, and amounts. The amount above the federal rate will

be reported as income. At calendar year end, an IRS Form 1099-MISC will be issued by the University of Hawai'i Disbursing and Payroll Office.

d. Non-Employee, Fellowship/Traineeship

Mileage incurred by fellows/trainees are considered of a personal nature (for the purpose of furthering their education) and reportable in its entirety as income.

A chart to assist colleges/departments in the preparation of the FMIS-33 and its corresponding tax implications has been provided for their use (see Attachment 3).

5. Procedures for the Preparation of FMIS-33

- a. Complete the FMIS-33, Personal Automobile Mileage Voucher for authorized personal automobile mileage and parking reimbursements; obtain the required signatures and attach all required supporting documents (original receipts or certification statements). See completion instructions on back of form FMIS-33.

b. Authorization Requirements

The Disbursing Office requires the signatures of i) the Program Head, ii) the Fiscal Officer, and iii) the Employee or Non-Employee on all Personal Automobile Mileage Vouchers. For control purposes, an individual should not approve a document if he/she is named as the payee.

c. Submission of Forms

The original and one copy of the FMIS-33 is to be submitted to the Disbursing Office within five (5) working days after the end of each month for all reimbursement claims incurred during that month. A copy of the FMIS-33 should be given to the individual for his/her record.

6. Availability of Forms

The FMIS-33, Personal Automobile Mileage Voucher is available on the University of Hawai'i on-line FMIS forms web page and on the travel web site.



CAMPUS: \_\_\_\_\_  
DATE: 10 / 30 / 01  
(MM/DDYY)

DOCUMENT NUMBER  
**M**

[illegible]

UNIVERSITY OF HAWAII  
FORM INSTRUCTIONS  
PERSONAL AUTOMOBILE MILEAGE VOUCHER (FMIS-33)

PURPOSE:	To process personal automobile mileage payments.
DATA ITEM	COMPLETION INSTRUCTIONS
	<b>All fields must be completed unless noted as <u>optional</u>. Shaded items represent information to be completed by Disbursing. Refer to APM A8.852 for detailed policies and procedures.</b>
CAMPUS	Click on the down arrow and click on the appropriate campus code.
DATE	Enter date form prepared.
DOCUMENT NUMBER	System defaults the document prefix to M. Click on the down arrow and this may be changed to N or T by clicking on the appropriate letter. TAB and enter 6-digit number after the prefix. First 3 digits, 3-digit Fiscal Officer code. Last 3 digits are the sequential control number assignment. In the case of an N document or T document, use the number assigned to the original Relocation/Travel claim.
PAYEE'S NAME	Enter payee's last name, first name and middle initial.
SOCIAL SECURITY NUMBER	Enter payee's 9 digit social security number, system will format with hyphens.
DEPARTMENT	Enter funding department name.
EMPLOYEE / NON-EMPLOYEE	System defaults to employee (= anyone receiving UH payroll check/statement). If Non-employee, tab to next block and either hit ENTER key or use mouse to click on the box.
PR NO.	If employee, enter payroll number of employee.
B.U. NO.	If employee, enter bargaining unit code or indicate appointment type (e.g., Casual) if not affiliated with a bargaining unit.
TYPE	If not UH employee, enter non-employee type. (Refer to APM A8.852, Attachment 2).
TRAVELER'S HOME ADDRESS	<u>Optional</u> . Enter traveler's home address if mileage claimed from home to workplace.
MONTH / DAY	Enter month/day of each trip.
TRIP NO	Enter trip number, consecutively, beginning with "1" for each claim made per month.
FROM / TO / PURPOSE	Enter "From", "To" and "Purpose" for each trip. List all stops made on trip in order traveled (e.g., Liliuokalani, Kapahulu, Paki, Meeting).
ROUND TRIP (X)	Enter "X" if round trip.
MILES TRAVELED	Enter number of miles traveled for each trip.
PARKING FEES	Enter parking fees related to each trip.
INSURANCE COMPANY / POLICY NO / EXPIRATION DATE	Enter name of insurance company, policy number and date policy expires for the insurance on vehicle.
A. TOTAL MILES	Automatically calculated.
B. TOTAL MILEAGE CLAIM & RATE	Enter rate and amount automatically calculated. (Total miles X Rate).
C. REPORTABLE - FEDERAL ALLOWED AMOUNT & RATE	Enter federal allowed rate and amount automatically calculated. (Total miles X Federal Rate).
D. TAXABLE AMOUNT	Automatically calculated.
E. TOTAL PARKING FEES	Automatically calculated.
TOTAL CLAIM - MILEAGE & PARKING	Automatically calculated.
VOUCHER NO.	Disbursing Office Use.
VENDOR NO.	Disbursing Office Use.
ACCOUNT CODE	Enter 6-digit account code.
SUBCODE	Enter 4-digit subcode.
TYPE	Predefined
P/F/N	Enter "N" for direct payments. If a miscellaneous encumbrance has been issued, enter a "P" for partial or "F" for final payment (any remaining encumbrance deleted).
AMOUNT	Enter amount of reimbursement, summarized by account distribution.
TOTAL	Automatically calculated. Tab to TOTAL field, error message will pop up if total does not match Total Claim at bottom.
SIGNATURES	Signatures and dates are required by appropriate Program Approving Authority, Fiscal Officer and traveler.

Submit the original Personal Automobile Mileage Voucher and supporting parking receipts to the Disbursing Office for payment processing.

## LIST OF MILEAGE SUBCODES

Type of Payment	Destination	Tax Status		Employee (E) W-2	Non Employee (NE) 1099
<b>CAR MILEAGE</b>	N/A	Non-Reportable	NR	4150	4140
		Reportable	R	4151	4141
		Taxable	T	4152	
<b>OTHER TRAVEL: *</b> Registration Fees, Telephone, etc.	In State	Non-Reportable	NR	4850	4820
		Reportable	R		4821
	US & Territories	Non-Reportable	NR	4851	4840
		Reportable	R		4841
	Foreign	Non-Reportable	NR	4852	4870
		Reportable	R		4871
<b>TRANSPORTATION: *</b> Air, Sea, and Ground Transportation (Ground Transportation includes Car Rental, Bus Fare, Train, and Taxi)	In State	Non-Reportable	NR	4250	4240
		Reportable	R		4241
	US & Territories	Non-Reportable	NR	4450	4440
		Reportable	R		4441
	Foreign	Non-Reportable	NR	4480	4470
		Reportable	R		4471
<b>TRAINEESHIP TRAVEL</b> (travel under own Grant)	N/A	Reportable	R		6541
<i>Payments for parking, toll charges, or gas may be coded as "OTHER TRAVEL" or "TRANSPORTATION" at dept's discretion.</i>					
4150: Use for total mileage claims paid an Employee below or equal to the Federal rate.					
4151 & 4152: Use for total mileage claims paid an Employee greater than the Federal rate. Prorate this into an amount equal to (4151) and an amount greater than (4152) the Federal rate.					
4140: Use for amount/portion paid a Non Employee below or equal to the Federal rate.					
4141: Use for amount/portion paid a Non Employee above the Federal rate.					
NR = Non-Reportable (Employee = total mileage claim at or below the Federal rate, Non employee = portion of the claim equal to the Federal rate.)					
R= Reportable (Employee = portion the the mileage claim above the Federal rate that is excludable from income, Non employee = portion of the mileage claim above the Federal rate that is considered income.)					
T = Taxable (Employee only = portion of the mileage claim above the Federal rate that is considered income, reported through payroll and taxes withheld.)					
E = Employee NE = Non Employee		*Non Employee Types: Collaborative Researcher, Independent Contractor, Interviewee, Non Comp Appointment, Student Athlete, Graduate Student, Student Representative, Student Volunteer, Visiting Scientist			

EMPLOYEE vs. NON-EMPLOYEE	TYPE:	*Form to Submit	OPTIONS TO PAY		TAXABILITY & REPORTABILITY		
			B.U. Rate	< B.U. Rate	Reimbursement < or = Fed Rate	Reimbursement > Fed Rate	
			(Motorcycles = 1/2 the BU rate)	** Flat Rate/Mile	SUBCODE	SUBCODE for PORTION < or = FED RATE	SUBCODE for PORTION > FED RATE
<sup>1</sup> Employee IRS W-2	Regular (includes Grad Asst)	FMIS 33	X	X	E, NR	E, R	E, T
	Regular, Excluded B.U.	FMIS 33	X	X	E, NR	E, R	E, T
	Scopis (Student/Casual)	FMIS 33	X	X	E, NR	E, R	E, T
<sup>2</sup> Non-Employee IRS W-2	RCUH	FMIS 33	X	X	NE, NR		NE, NR
	State Employee (not w/ UH)	FMIS 33	X	X	NE, NR		NE, NR
<sup>3</sup> Non-Employee IRS 1099	Collaborative Researcher	FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Independent Contractor	PO&FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Interviewee	PO&FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Non Comp Appt	FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Participants	PO&FMIS 33 or FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Student Athlete	FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Student Graduate	FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Student Representative	FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Student Volunteer	FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Visiting Scientist	FMIS 33	X	X	NE, NR	NE, NR	NE, R
	Volunteer	FMIS 33	X	X	NE, NR	NE, NR	NE, R
<sup>4</sup> Non-Employee IRS 1099 & 1042	Fellowship/Traineeship	Form 36 & FMIS 33	X	X	NE/FNE, R		

\*FMIS-33 is to be used for reimbursement of mileage incurred on official UH business. Non-Employees must submit a WH-1. Check WH-1 Indicator on the vendor table.

\*\*Employees accepting amounts less than the B.U. rate must agree to this rate in writing.

<sup>1</sup> Mileage amounts reimbursed employees below or equal to the Federal allowable rate are Non-Reportable, use object code 4150. Mileage amounts reimbursed employees greater than the Federal allowable rate must be prorated as to the amount equal to the federal rate and the amount above the federal rate. Amounts equal to the federal rate are reportable and excludable from income, use subcode 4151. Amounts in excess of the federal rate are taxable income, use subcode 4152.

<sup>2</sup> Reimbursements to RCUH & Other State employees must be subcoded 4140. A copy of FMIS 33 will be submitted to their payroll office for reimbursements > than the Federal rate.

<sup>3</sup> Mileage amounts reimbursed Non-employees below or equal to the Federal allowable rate are Non-Reportable, use object code 4140. Mileage amounts reimbursed Non-employees in excess of the Federal allowable rate are reportable income, use subcode 4141.

<sup>4</sup> Mileage reimbursements made to a Fellow/Trainee are reportable as income. Mileage under the trainee's and post doc's grant will be considered reportable & for the individual traveller's benefit.