



State of Arizona

Department of Homeland Security



Governor Douglas A. Ducey

Director Gilbert M. Orrantia

From: AZDOHS
To: All AZDOHS Subrecipients
RE: Updated travel policies on Hotels, Motels and Lodging
Date: September 13, 2019

The Arizona General Accounting Office (GAO) has made the following hotel, motel and lodging travel policy updates. The AZDOHS will implement the updates for all travel taking place after September 6, 2019.

Subrecipients should review the policies and plan travel accordingly. When submitting for reimbursement stakeholders should **make the necessary adjustments**.

State of Arizona Accounting Manual Topic 50 Section 30:

7. The following may always be added to the published reimbursement rates to determine the total amount of a lodging reimbursement (the published rates can be found at SAAM Topic 50 Section 95):

7.1. Taxes imposed by any authority with jurisdiction, such as state and local sales taxes, hospitality taxes, etc.

7.2. Non-discretionary, non-elective unavoidable charges or surcharges a governmental entity may impose for utilities, linens, etc.

Example:

<u>Rack Rate</u>	<u>\$ 95 Limit as shown in SAAM 5095</u>
Actual Room Charge	\$ 90 Hotel Imposed
Tax	\$ 10 Governmentally Imposed
Utility Fee	\$ 5 Governmentally Imposed
Total Hotel Charge	\$105 Total Reimbursable Amount

8. The following may never be reimbursed:

8.1. Mini-bar charges for alcoholic beverages.

8.2. Movies.

9. The following may sometimes be reimbursed, subject to the provisions and limitations outlined below:

9.1. Health club charges, if approved in advance by the State Comptroller. The request for approval must be accompanied by a letter, signed by the traveler's physician and on the physician's letterhead, that identifies the specific medical condition that necessitates the use of a such a facility, the regimen to be followed by the traveler, the frequency with which the regimen must be followed, and any alternatives to the regimen that might be substituted. The traveler may, at his discretion, elect not to provide such a letter, but then cannot be reimbursed for health club charges. Approval will not be given for reasons of maintaining general health or fitness.

9.2. Hotel Internet, Wi-Fi or hot spot connections, if it can be demonstrated and documented that the Internet needed to be used and was indeed used for State business.

9.3. Hotel telephone charges, if it can be demonstrated and documented that the hotel telephone needed to be used and was used for State business and that the charges for which reimbursement is sought were for State business. (For example, a phone call back to the office would be reimbursable, but a phone call home would not.)

9.4. Hotel parking:

9.4.1. If the trip involves the authorized use of an automobile to conduct State business, hotel parking charges may be reimbursed. In such cases, the parking charges are not added to the rack rate to determine whether the lodging falls within the State's reimbursement limit. Hotel parking may not be reimbursed when a traveler has, in response to his own request, been allowed to use his POV rather than common carrier (e.g., airline) travel to an out-of-state location.

Example when trip involves the authorized use of automobile to conduct State business:

Rack Rate	\$100 Limit as shown in SAAM 5095
Actual Room Charge	\$ 95 Hotel Imposed
Tax	\$ 10 Governmentally Imposed
Parking	\$ 15 Hotel Imposed
Total Hotel Charges	\$120 Total Reimbursable Amount

9.4.2. If the trip does not involve the authorized use of an automobile to conduct State business, but the hotel charges for parking as a part of all stays, the amount of the parking charges is added to the rack rate to determine whether the lodging falls with the State's reimbursement limit.

Example when trip does not involve authorized use of automobile to conduct State business:

Rack Rate	\$100 Limit as shown in SAAM 5095
Actual Room Charge	\$ 95 Hotel Imposed
Tax	\$ 10 Governmentally Imposed
Parking	\$ 15 Hotel Imposed
Total Hotel Charges	\$120

EXCEEDS Reimbursement Limit! In this case, the parking of \$15 is added to the room charge of \$95 for an adjusted room charge of \$110, which exceeds the reimbursement limit.

9.5. Health club charges, if hotel health club charges are non-discretionary and always charged by the establishment. However, such charges, when added to the rack rate, may increase the daily hotel charge above the reimbursement rate.

9.6. Resort fees, booking fees, cleaning fees, if such fees are non-discretionary and always charged by the establishment. However, such charges, when added to the rack rate, may increase the daily hotel charge above the reimbursement rate

Example 1:

Rack Rate	\$100	Reimbursement Limit shown in SAAM 5095
Actual Room Charge	\$ 95	Hotel Imposed
Tax	\$ 10	Governmentally Imposed
Resort Fee	\$ 20	Hotel Imposed
Total Hotel Charge	\$125	

EXCEEDS Reimbursement Limit! In this case, the resort fee of \$20 is added to the room charge of \$95 for an adjusted room charge of \$115, which exceeds the reimbursement limit.

Example2:

Rack Rate	\$100	Reimbursement Limit shown in SAAM 5095
Actual Room Charge	\$ 80	Hotel Imposed
Tax	\$ 10	Governmentally Imposed
Online booking Fee	\$ 30	Online Booking Service Imposed
Total Hotel Charge	\$120	

EXCEEDS Reimbursement Limit! In this case, the online booking fee of \$30 is added to the room charge of \$80 for an adjusted room charge of \$110, which exceeds the reimbursement limit.

*As clarification, if the traveler books the room through a commercial travel agency (such as Expedia, Travelocity, etc.) and incurs a booking fee, those fees are allowable and reimbursable (SAAM Topic 50; Section 05; Policy 14) and should be submitted for reimbursement as a separate invoice from the travel agency.

9.7. Charges relating to a hotel mini-bar for non-alcoholic beverages, snacks and other foodstuffs, when these constitute a traveler's meal. These purchases, however, are subject to the limitations for meals and incidentals. (Since these purchases are generally fairly expensive, not much nutrition is available to the traveler for the price paid and the traveler might be well advised to seek other alternatives.)

9.8. Room service charges for non-alcoholic beverages and other foodstuffs, when these constitute a traveler's meal. These purchases, however, are subject to the limitations for meals and incidentals. (Since these purchases are generally fairly expensive, not much nutrition is available to the traveler for the price paid and the traveler might be well advised to seek other alternatives.)

It is recommended that all employees utilizing grant funds for travel become familiar with the State Travel Policy before traveling.

The full State of Arizona Travel Policy can be found at <https://gao.az.gov/publications/saam>.

For questions, please contact your AZDOHS finance contact:

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