

**California Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Travel/Relocation Programs – AB 229 Travel Reimbursement: (Transportation Network Company or Short-Term Rental)	REFERENCE NUMBER: 2015-039
DATE ISSUED: December 29, 2015	SUPERSEDES:

This memorandum should be forwarded to:

**Accounting Officers
Budget Officers
Claims Coordinators
Employee Benefit Officers
Labor Relations Officers
Personnel Officers
Personnel Transactions Staff
Travel and Relocation Liaisons**

FROM: California Department of Human Resources
Benefits Division

CONTACT: Ray Asbell, Program Manager
Phone: (916) 324-0526
Fax: (916) 324-3213
Email: ray.asbell@calhr.ca.gov

The California Department of Human Resources (CalHR) has released this PML to provide guidance on the provisions of Assembly Bill 229 (AB 229), Chapter 770, Statutes of 2015, which becomes effective January 1, 2016, and is scheduled to sunset December 31, 2018. AB 229 adds section 19822.4 to California Government Code and stipulates that state agencies cannot prohibit state employees on official travel from using certain services, which are defined below:

- **Transportation Network Companies:** These companies provide prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle. Lyft and Uber are examples of transportation network companies.
- **Short-Term Rentals:** This is a residential property that is rented to a visitor for fewer than 30 days through a centralized online platform. The rental is advertised and payments for the rental are securely processed. For purposes of travel reimbursement, a short-term rental shall be considered a commercial lodging establishment. AirBnB is an example of a short-term rental company.

Regardless of the type of lodging establishment or form of transportation selected, employees and agencies are required to adhere to the travel and reimbursement policy

found in existing government codes and employee Memoranda of Understanding. Some basic concepts central to these polices are:

- Employees must receive prior approval to travel.
- Each state agency shall determine the necessity for travel and that such travel represents the best interest of the state.
- Each state agency may determine the time and method of travel, location and lodging.
- Reimbursement must be for actual and necessary out-of-pocket expenses, consistent with applicable reimbursement rates, incurred while traveling on official state business.

The following is intended to ensure that state agencies and employees have the basic information necessary to conduct business with a Transportation Network Company or a Short-Term Rental Company.

Booking Your Transportation Network Company Ride or Short-Term Rental

The state is exploring various options to address the process of how employees may book these services, however, until such time as these services can be integrated into the state's travel system, all Transportation Network Company and Short-Term Rental reservations must be made using their proprietary applications. These reservations are exceptions to Management Memo 14-03, dated March 6, 2014, that mandated all travel arrangements be made through the State of California contracted travel vendor, [CalTravelStore](#), or the online booking tool, Concur Travel.

Prior to booking a room it is incumbent upon employees to verify that the room suits their specific needs and is in compliance with state policy. The following items are examples of what employees should consider when booking a room:

- Employees with disabilities are strongly encouraged to verify that all aspects of the room (indoor/outdoor stairs/ramps, showers, lighting, etc.) meet their individual needs and include the type of accommodation their specific disability requires.
- Employees need to consider the form of transportation that they will be using and whether the lodging site provides easy access to that transportation.
- In the event that the nightly cost of the room exceeds the applicable state rate, employees must complete a [STD 255C](#) (Excess Lodging Rate Request Form) and submit the form for approval at least 10 days before the trip takes place.

Payment Information

- **Transportation Network Company Services**

The primary payment method for Transportation Network Company services is through a department paid direct bill account that is set up between each state agency and the Transportation Network Company, eliminating the need for an expense claim. The following applies:

- All charges are direct billed to the state agency.
- Reporting is available to all participating agencies to provide transparency for the expenses.
- Agencies should contact the [Department of General Services' Statewide Travel Program](#) at (916) 376-3974 to set up their direct bill account.
- Personal use of a department paid direct bill account is prohibited.

The secondary payment method for Transportation Network Company services is through a personal credit card or a government travel charge card and requires reimbursement through the Travel Expense Claim process. Reporting on expenses charged to a personal credit card will not be available to participating agencies through the vendor's proprietary system.

- **Short-Term Rental**

Short-Term Rental charges must be paid using the payment method required by the provider. Payment methods and terms are determined by the provider and are subject to change without notice. At this time, CalCard is not an authorized form of payment and the only acceptable payment methods are:

- Personal credit card
- Government travel charge card

Receipt Policy

For the purposes of travel reimbursement, the state adheres to the Internal Revenue Service's provisions for an Accountable Plan (Plan). In general terms, the Plan has certain requirements, including the submission of receipts when required, that must be met for an employee to receive full reimbursement of their authorized business travel expenses.

As long as the requirements of the Plan are met and state travel policy has been followed, Transportation Network Company or Short-Term Rental expenses are reimbursable.

These requirements are:

- The expenses must have a business connection and must be incurred while performing duties as an employee.
- The expenses must be adequately accounted for with the employer within a reasonable period of time.
- Any excess reimbursement or allowance must be returned within a reasonable period of time to the employer.
- Receipts must show the date, time, location, and cost of the expense.

Additional information about receipts and the Plan may be found in the [Payroll Procedures Manual](#) on the [State Controllers' Office](#) website.

If agencies have questions about general [travel reimbursement policy](#) or need assistance, please contact Ray Asbell at (916) 324-0526 or at ray.asbell@calhr.ca.gov.

/s/Belinda Collins
Belinda Collins, Chief
Benefits Division