2.602 Automobile Mileage Reimbursements for RCUH Employees

Effective Date: 1/12/2026
Prior Dates Amended: 9/27/2017, 2/02/2017

I. PURPOSE

The purpose of this policy is to provide reimbursement guidelines and procedures for mileage and parking expenses incurred by RCUH employees using their own personal automobile in the course of their job duties as allowed under Internal Revenue Service (IRS) guidelines described in IRS Publication 463.

The RCUH Personal Automobile Mileage Voucher form may also be used by UH employees and other eligible UH users, as described in Policy 2.603 Travel for UH and Other State of Hawaii and City/Country Employees. However, UH employee mileage claims must be in compliance with the University of Hawaii Administrative Procedure AP 8.852, Personal Automobile Mileage Voucher.

II. DEFINITIONS

A. **BUSINESS EXPENSE:** An ordinary and necessary cost incurred in the course of operating a business.

B. **COMMUTING EXPENSE:** Transportation expense between your home and your main or regular place of work.

C. **STANDARD MILEAGE RATE:** IRS determined mileage rate to be used in computing the deductible costs of operating an automobile for business expense purposes.

III. RESPONSIBILITIES

A. RCUH Employee:

1. Certify that the transportation expenses listed were incurred for the stated business purpose. Comply with the guidelines of this policy for the timely and accurate reporting of all business mileage claims.

2. Obtain written approval from PI regarding the employee's residence being formally approved as their primary work location, if applicable.

B. Principal Investigator:

1. Responsible for determining whether a trip is allowable, reasonable, and allocable under the funding source.

2. Formally approve, in writing, an RCUH employee's residence as their primary work location and confirm that the employee does not have any workspace or location provided by the Project.

C. Fiscal Administrator:

1. Confirm that funds are available, and that fiscal policies and procedures have been followed.
2. Ensure that the correct and applicable mileage rate is applied.
3. Notify RCUH Disbursing of any taxable commuting mileage payment by selecting the box regarding mileage to/from an employee's residence OR notifying RCUH Disbursing of any taxable mileage payment exceeding the IRS standard mileage rate.

D. Department/College

1. May impose additional restrictions and/or requirements; however, they are responsible for documenting, communicating, and enforcing such additional requirements.

E. RCUH Disbursing

1. Notify RCUH Payroll of taxable mileage payments.

IV. POLICY

A. A department/college may authorize an RCUH employee to use their personal automobile for business purposes. Business use of a personal automobile generally means travel between two business destinations.

B. RCUH employees may be reimbursed up to the standard mileage rate per mile for automobiles, as determined by the IRS and updated annually (Attachment 12 Current RCUH Travel Rates).

If the funding source (i.e., non-federal sponsor) authorizes a mileage rate higher than the IRS standard mileage rate, any amount reimbursed to the employee above the IRS standard rate is taxable income. The FA is responsible for notifying RCUH Disbursing of any taxable mileage payment, which will be reported to RCUH Payroll for IRS Form W-2 reporting.

C. The number of miles traveled by an employee must be supported by point-to-point mileage itemization documented by an employee's automobile odometer reading or by an online mapping service (e.g., Google Maps, Mapquest, etc.).

D. The RCUH employee is required to carry their own liability insurance as required by the Hawaii No-Fault Law. A mileage reimbursement is not permitted without the required insurance. The employee's personal insurance covers any automobile damage, and the employee is responsible for any liability or costs incurred.

E. The RCUH employee is required to have a valid driver's license.

F. Mileage and/or parking expenses incurred by RCUH employees while traveling away from home overnight is required to be claimed on the RCUH Travel Completion Form. See Policy 2.601 RCUH Employee Travel.

G. RCUH employees are not permitted to request reimbursement for gasoline, or other operating and repair costs of their personal automobile.

H. Mileage

1. Mileage incurred from the RCUH employee's residence to their main or regular place of work is a personal commuting expense. Mileage claims to/from an RCUH employee's residence is not allowable, with the exception of the situations below.

    a. If it is more practical to drive directly from the RCUH employee's residence to a business location without first reporting to the principal work location, only mileage <u>exceeding</u> the regular commute can be claimed.

    For example, if the employee traveled 20 miles from their home to a job site and their regular commute from home to the principal work location is 5 miles, then the allowable claim is 15 miles. This also applies to travel from a business location to the employee's residence without returning to the principal work location.

    b. Mileage reimbursement is allowed when travel between an RCUH employee's residence and a business location (other than their principal work location) occurs on a nonworking day or outside of regular business hours, provided such travel is approved by an authorized project/department manager.

    Personal commuting mileage (home to/from their principal work location) cannot be claimed even if it occurs on a nonworking day or outside of their work schedule (e.g., driving to the office on a weekend).

    c. When departing on official travel during an RCUH employee's normally scheduled workday, the employee may drive directly to the airport from their residence without first driving to the principal work location if it is more practical to do so, but only mileage <u>exceeding</u> the regular commute can be claimed. Mileage from their residence to the airport may be reimbursed without deducting commuting mileage if the travel occurs outside of regular business hours or on a nonworking day.

d. Business mileage from an RCUH employee's residence may be claimed if the employee's residence has been formally approved in writing by the PI as the employee's primary work location and the employee does not have any workspace or location provided by the employer. Any mileage claim to/from the employee's residence is taxable income.

For example, if the RCUH employee's residence has been formally approved by the PI as the employee's primary work location, and the employee drives from their home to Site A, Site B, Site C, then returns home, the employee may claim the total mileage, however the mileage reimbursement from Home to Site A, and Site C to Home is taxable income.

Note: This does not apply to an RCUH employee that has a regular place of work AND teleworks from a home office.

For example, if the employee has an office located on a UH campus and regularly teleworks, mileage between their residence and office location is not allowable. Also, any mileage claimed to/from their home to a business location other than their office is restricted to the other exceptions listed in Section IV, H, 1.

I. Parking

1. Parking fees may be claimed when incurred for an official business purpose. Parking fees to park at an employee's principal work location are commuting expenses and cannot be claimed.

2. Original receipts are required for parking expenses. If an original receipt is lost or unavailable, and no proof of payment can be provided, see Section V, F.

V. PAYMENT PROCEDURE

A. Mileage and parking expenses incurred by RCUH employees using their own personal automobile for an official business purpose must be documented and claimed on the Personal Automobile Mileage Voucher, unless the expenses are incurred as part of an employee's travel in which case the expenses must be claimed on a Travel Completion Form. See [Policy 2.601 RCUH Employee Travel](#).

B. In the Personal Automobile Mileage Voucher Form, enter separate business mileage claims in the Itemized Trip Information section.

C. Documentation supporting the mileage distance(s) must be attached to the Personal Automobile Mileage Voucher (e.g., Google Maps, Mapquest, odometer log, etc.).

D. The applicable IRS standard mileage rate must be used. For updated mileage rates refer to Attachment 12 Current RCUH Travel Rates.

If the funding source (e.g., non-federal sponsor) authorizes a mileage rate higher than the IRS standard mileage rate, any amount reimbursed to the employee above the IRS standard rate is taxable income. The FA is responsible for notifying RCUH Disbursing of any taxable mileage payment.

E. An RCUH employee claiming business mileage from their residence, which has been officially approved as the employee's primary work location, with no workspace or location provided by the employer, must select the applicable checkbox on the Personal Automobile Mileage Voucher.

F. Receipts are required for parking expenses. If an original receipt is lost or unavailable, and no proof of payment can be provided, the expense may be claimed by completing the Lost/Unavailable Receipt Certification section on the Personal Automobile Mileage Voucher Form and attaching a completed Lost/Unavailable Receipt Itemization Form. An expense of $75 or greater with no receipt or proof of payment cannot be claimed.

VI. CONTACT INFORMATION

RCUH Disbursing Department
Telephone: (808) 956-3608
Email: rcuhdisb@rcuh.com

VII. REFERENCES

A. Attachment 12 Current RCUH Travel Rates
B. Lost Receipt Itemized List
C. 2.601 RCUH Employee Travel
D. 2.603 Travel for UH and Other State of Hawaii and City/Country Employees
E. Internal Revenue Service (IRS) Publication 463 Travel, Gift, and Car Expenses
F. UH AP 8.852 Personal Automobile Mileage Voucher