

2.602 Automobile Mileage Reimbursements for RCUH Employees

The purpose of this policy is to ensure the uniform treatment of expenses incurred by RCUH employees using their own personal vehicle for an official business purpose.

I. Details of Policy

- A. Mileage reimbursement is allowed for transportation in a private automobile as required in the normal course of an employee's performance of assigned duties, and in accordance with Internal Revenue Service (IRS) regulations.
- B. Employees will be reimbursed at the prevailing rate per mile for automobiles ([Attachment 12 Current RCUH Travel Rates](#)), and for necessary parking fees.
- C. To qualify for this allowance, each employee of RCUH is required to carry his/her own liability insurance as required by the Hawaii No-Fault Law.
- D. A Personal Automobile Mileage Voucher should be used to record and claim mileage and parking expenses. Mileage and parking expenses that are part of a trip should be claimed on a Travel Completion Form.
- E. Only mileage reimbursements that are business related and deductible by IRS regulations can be paid. If a nondeductible mileage claim is allowable on the account being charged, it will be reported as income to the employee.
 1. Mileage incurred from an employee's residence to his/her principal work location (i.e., main job) is a commuting expense. Commuting expenses are nondeductible and not allowed.
 2. Business mileage from an employee's residence may be claimed if the employee's residence has been formally approved as the employee's principal work location.

If a Principal Investigator (PI) establishes an employee's residence as a principal work location, the PI must provide a justification and obtain any other necessary approval from RCUH Human Resources. The justification should include a description of the employee's duties at his/her residence, and the employer's reasons for requiring the employee to work at his/her residence. The justification must explain why the employee is required to work at his/her residence for the benefit and convenience of the employer. The justification must be kept on file by the project and the Designated University Official or Fiscal Administrator in the event of an audit.

3. If it is more practical to drive directly from the employee's residence to a business location without first reporting to the principal work location, only mileage

exceeding the regular commute can be claimed. For example, if the employee traveled 20 miles total and his/her regular commute 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.

4. When departing on official travel during an employee's normally scheduled workday, the employee may drive directly to the airport from his/her residence without first driving to the principal work location if it is more practical to do so, but only mileage exceeding the regular commute can be claimed. Mileage from a residence to the airport may be reimbursed when traveling on a nonworking day or outside of regular business hours.
5. Mileage reimbursement is allowed when travel between an employee's residence and a business destination occurs on a nonworking day or outside of regular business hours, provided such travel is approved by an authorized project/department manager.

F. Tax Implications – The RCUH currently uses the IRS established business mileage rate (federal allowable rate) for employees. If the RCUH institutional rate should ever exceed the federal allowable rate, and an employee accepts the higher rate, the difference will be reported as employee income to RCUH Human Resources.

II. Relevant Documents

[Attachment 12 Current RCUH Travel Rates](#)

[IRS Publication 463](#)

[IRS Publication 587, Business Use of Your Home](#)

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