



# Defense Travel Management Office



## Incidental Expenses & Reduced Per Diem for Extended TDY

**May 15, 2014**



# Travel Transformation – Simplification Initiatives

The Department of Defense (DoD) is taking a comprehensive look at travel in order to streamline processes, simplify the rules, improve compliance, leverage current technologies, and reduce the overall cost of travel without impairing DoD's mission

- External drivers have directed the Department of Defense (DoD) to reduce travel spend
- Congress commissioned DoD to streamline programs and processes, simplify rules, leverage current technologies, and reduce the overall cost of travel without impairing DoD's mission (National Defense Authorization Act (NDAA) 2010)
- NDAA 2012 established a new title 37, Chapter 8 – Travel and Transportation Allowances giving Secretary of Defense and other administering Secretaries broader, more flexible authority to prescribe and implement travel and transportation policy that is simple, efficient, and relevant

***Simplification initiatives balance the desire of the Department to reduce costs while still compensating travelers for expenses incurred and provide programs that meet business needs and enhance their travel experience***



# Incidental Expenses

Incidental Expenses paid at \$5.00/day CONUS to CONUS:

- Tips to porter, baggage carriers, bellhops, hotel maids, stewards/stewardesses, and others on ships, and hotel servants in foreign countries
- Potable water and ice
- Other necessary lodging expenses listed in the room account
- Tax and service charges (other than vendor surcharges for using a credit card) for any of the above expenses



# Incidental Expense Proposal

- Expands the definition of per diem to include various miscellaneous reimbursable expenses such as CONUS laundry, baggage tips, and ATM fees
  - ATM Fee's (13.27% of travelers claim, avg. of \$0.76/day)
  - CONUS Laundry (4.2% of travelers claim, avg. \$1.63/day)
  - Transportation Tips (.04% travelers claim, avg./\$.86)
- Designates certain expenses as mission related versus travel and transportation related
  - Cell phone (.009% of travelers claim, avg. of \$2.44/day)
  - Phone calls (1.9% of travelers claim, avg. of \$1.55/day)
- In the event the traveler spends more than \$5.00 a day for incidental expenses, a claim for actual expenses may be filed



# Reduced Per Diem For Long Term Temporary Duty Travel (TDY)

- Transforming Travel Allowances
  - Simplification of travel allowances into a consistent, per diem based framework
  - Eliminating cost comparisons and minimizing itemization
- Runzheimer completed a study of Long-term Lodging in March 2011. Recommendations include:
  - Conduct pilot using existing long-term lodging programs
    - GSA Transportation, Delivery and Relocation Solutions Schedule
    - Army Lodging Success Program
  - Reduce long-term (31-180 days) lodging + Meals and Incidental Expenses (M&IE) to 73%
  - Maintain/expand 55% for TDYs 181+days
  - Consolidate long-term travel data
  - Create a dedicated management structure



# Reduced Per Diem for 31-180 Days

- Currently, the JTR encourages travelers TDY for 30+ days to make reservations on a weekly, monthly or other long-term basis but provides no requirement or incentive
- Rules authorize reduced per diem “when the circumstances of the travel or duty to be performed so warrant and are peculiar to that particular Service,” authorized by DoD component head or secretary concerned
- Secretary Concerned may authorize flat per diem rate of 55% for members TDY to a contingency operation for 180+ days
- Other departments reduce per diem for extended TDY CONUS
  - Department of State pays up to the locality rate for the 1<sup>st</sup> 60 days, 50% for 61-120 days, and 25% for 121 days and beyond
  - Department of Veterans Affairs reduces M&IE to 55% for TDYs over 30 days
  - Department of Health and Human Services reduces lodging allowance to 70% for 30-90 nights, to 75% if lodging doesn’t have cooking facilities and to 50% if there are cooking Facilities
  - Departments of Interior and Commerce pay a flat reduced per diem of 55% of lodging plus M&IE for TDY of 30 days or more



# Reduced Per Diem Proposal

- Long-Term TDY of 31 -180 days at a single location is authorized at a flat rate of 75% of the locality rate, payable for each full day of TDY at that location
- Long-term TDY of 181 days or more at a single location is authorized at a flat rate of 55% of the locality rate, payable for each full day of TDY at that location; TDY in excess of 180 days must be authorized/ approved
- If traveler and the Commercial Travel Office determine that lodging is not available at the reduced per diem rate, the Authorizing Official may authorize actual lodging, not to exceed the locality per diem rate, but the M&IE is paid at the reduced rate
- Traveler must incur a lodging cost in order to be reimbursed the flat rate per diem
- If a traveler stays in government lodging or contracted government lodging, then the actual amount of the lodging cost is reimbursed