Mileage Reimbursement Procedures

All City employees who are eligible for mileage reimbursement should follow the procedures below to claim mileage reimbursement.

These procedures are based on the Saint Paul Administrative Code Chapter 33 – Reimbursement for Car Expense and the Internal Revenue Service (IRS), Publication 15 (Circular E) – Accountable Plans. Using the "accountable plan" methodology allows employees to be reimbursed for these expenses at the current IRS rate without the City withholding taxes or reporting the reimbursement as compensation of the employees on their W-2.

Reimbursement Rate:
Beginning on Jan. 1, 2011, the standard IRS mileage rate for the use of a car is $0.51 per mile for business miles driven.

Forms:
Mileage reimbursement forms are located on the Intranet under Financial Services:
http://spnet.ci.stpaul.mn.us/depts/ofs/

Eligibility:
To be eligible for mileage reimbursement employees must complete the "**Mileage Request/Removal"** form (on the intranet), have it signed by the employee's supervisor and department director, and have the department's mileage coordinator submit the completed form to the Office of Financial Services, 700 City Hall.

Reimbursement:
Employees making a claim for reimbursement of mileage must

- track and complete a "**Daily Mileage Log"** (form on the intranet)
- complete and sign a "**Monthly Mileage Report**" (form on the intranet)
- submit both forms to the department's mileage coordinator

Department mileage coordinators must

- audit the Monthly Mileage Report against the Daily Mileage Log to ensure the accuracy and completeness of both
- ensure the forms are signed by the employee's supervisor
- forward the forms to the Office of Financial Services, 700 City Hall
- retain a copy of the "**Daily Mileage Log"** for 6 years plus the current year

Timelines:

1. Employees are required to submit claims for reimbursement **within 60 days** from the end of the month in which claimed expenses were incurred. This requirement is in accordance with IRS Publication 15 (Circular E) – Accountable Plans. Failure to submit claims within 60 days will result in the reimbursement being treated as taxable income.

2. Mileage will be reimbursed on the last pay day of the month.

3. Forms should be submitted to OFS by the 5th business day of the month to be reimbursed that month. Forms submitted after the 5th business day will be reimbursed the following month.

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