

MEMORANDUM

TO: Arizona COGs/MPOs/TMAs

FROM: Jason James, ADOT MPD Planning Section Manager

DATE: August 20th, 2025

RE: Reimbursement Eligibility for Local Mileage (<50 Miles) Using Federal Funds

Dear COG/MPO/TMA Partners:

The purpose of this memorandum is to clarify the eligibility of reimbursing local mileage (trips under 50 miles) using allocated Federal funds for Arizona COGs/MPOs.

Background:

At the June 12, 2025 Arizona COG/MPO Directors Meeting, questions arose regarding whether local mileage under 50 miles qualifies for reimbursement using allocated Federal funds.

To address this, ADOT MPD staff and the ADOT Comptroller met with FHWA Arizona Division. **While current federal rules and guidance define 50 miles (one way from duty station or residence) as the threshold for per diem travel reimbursement, individual states can determine reimbursement eligibility for mileage under 50 miles.**

Note: business travel exceeding 50 miles one way would qualify for reimbursement of all travel expenses (i.e. lodging, meals, mileage) up to the published Federal General Services Administration (GSA) per diem rates (which can be found on the US GSA website at <https://www.gsa.gov/travel/plan-book/per-diem-rates?gsaredirect=perdiem>). The reimbursable rates must be in line with the requirements of 2 CFR 200.404 (reasonable costs).

Decision & Guidance:

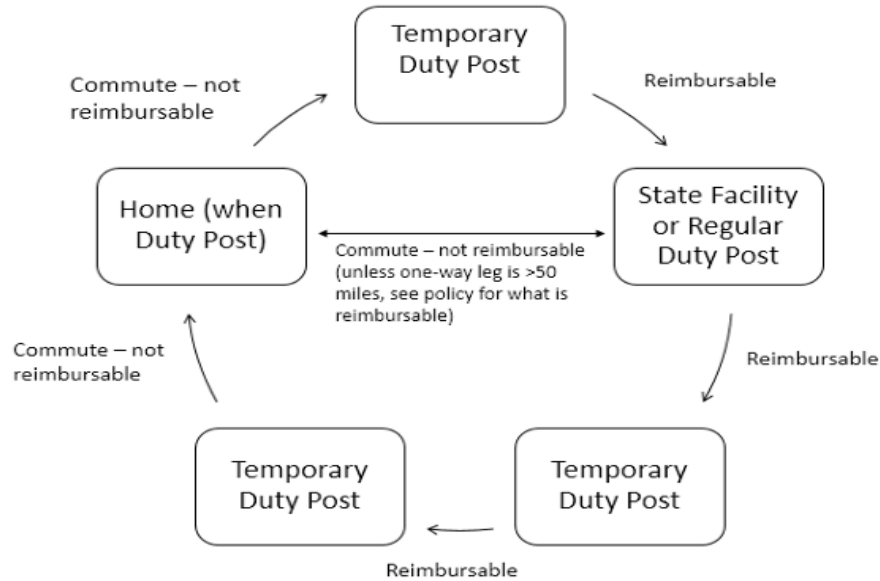
Following review of the State of Arizona Accounting Manual (SAAM), ADOT MPD and the ADOT Comptroller have determined the following:

1. Local Mileage for Official Travel Under 50 Miles:

Per SAAM 5015 – Section 3 (POVs), mileage under 50 miles for official travel may be reimbursed as a **“business expense”** if:

- Mileage is associated with a specific project or work element in the current COG/MPO Work Program or UPWP.
- Costs meet the criteria to be allowable under Federal awards per 2 CFR 200.403.
- As with all program expenses, payments for mileage will be reimbursement of payments made to employees for use of a personally owned vehicle (POV) or for expenses incurred in a fleet vehicle.
- The reimbursement is for use of a personally owned vehicle (POV) and/or a fleet vehicle. It does not pertain to a contract rental vehicle.
- Mileage cannot be part of a Travel event - It **does not include** lodging, meals, or incidentals.
- The calculation **does not include** commuting miles (i.e., travel between home and regular duty station). The calculation **only includes** miles between the duty post and other temporary duty posts.
- If business POV and/or fleet vehicle mileage is already included in your **Indirect Cost Allocation Plan (ICAP)**, it **cannot** be reimbursed separately.

Mileage Reimbursement with Home Duty Post diagram:



Required Documentation:

For each local mileage reimbursement request, submit:

- Date(s) and time(s) of Trip (departure and arrival)
- Purpose of trip and the related project/work element from the Work Program/UPWP (need to provide supporting documentation)
- Detail Trip origin(s), destination(s), and route(s) taken, as well as mileage using support from one of the methods below:
 - Map app like Map quest, Google map, or Waze is the preferred method and can be used to show not only mileage, but also destinations and routes
- Daily business mileage calculations using vehicle's odometer reading to calculate mileage

Commuting Expenses:

Costs for travel between home and your regular duty station (including public transit or POV use) are considered personal commuting expenses and are **not** reimbursable under any circumstances.

Reimbursement Rate for Official Travel Under 50 Miles:

The reimbursement rate for official travel under 50 miles will follow the published GSA Privately Owned Vehicle (POV) mileage rate, available on the U.S. GSA website: <https://www.gsa.gov/travel/plan-a-trip/transportation-airfare-rates-pov-rates-etc/privately-owned-vehicle-pov-mileage-reimbursement>.

As of January 1, 2025, the GSA mileage rate for use of a privately owned vehicle (when authorized or when a government vehicle is not available) is **\$0.70 per mile**.

Please note:

- GSA POV mileage rates are typically updated once a year, based on the IRS standard rate (per 5 USC 5707(a)(1)).
- The GSA may also adjust the rate mid-year due to changes in fuel prices, depreciation, maintenance, insurance, or other vehicle operating costs.

ADOT MPD Planning will monitor the current GSA mileage rate and notify Arizona COGs and MPOs of any changes.

2. Travel Over 50 Miles:

Refer to the separate “50-Mile Rule” Memorandum dated May 15, 2025, for guidance on travel exceeding 50 miles one way. **Business travel exceeding 50 miles one way would qualify for reimbursement of all travel expenses (i.e. lodging, meals, mileage) up to the published Federal General Services Administration (GSA) per diem rates (which can be found on the US GSA website at <https://www.gsa.gov/travel/plan-book/per-diem-rates?gsaredirect=perdiem>).** The reimbursable rates must be in line with the requirements of 2 CFR 200.404 (reasonable costs).

Next Steps

1. Effective for SFY26-SFY27 Work Program Cycle

Local mileage for official travel under 50 miles, meeting the criteria per this memorandum, will be eligible as a reimbursable business expense in the Work Program cycle.

2. Action Required

Please update your internal Travel Policies to reflect this guidance for local mileage for official trips under 50 miles.

This eligibility guidance will remain in effect until SAAM or FHWA policy changes require an update.

If you have any questions, please contact your ADOT MPD Regional Planner.

Respectfully,



Jason James

PLANNING SECTION MANAGER/P2P MANAGER - MULTIMODAL
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