



## ***Reimbursed Travel Expense Payments***

**When a union official (an officer, employee, steward, or committee member) incurs an expense while traveling on union business, the union often reimburses him or her. This compliance tip provides guidance to unions on handling reimbursed travel expenses.**

The Office of Labor-Management Standards (OLMS) enforces certain provisions of the *Labor-Management Reporting and Disclosure Act of 1959* (LMRDA). The LMRDA requires, in part, that unions meet basic standards of fiscal responsibility. To ensure compliance with the LMRDA and safeguard union assets by promoting transparency and accountability, OLMS recommends that each union: (1) adopt a clear policy on reimbursed travel expenses; (2) establish what documentation is needed for an official to be reimbursed; and (3) establish a procedure that provides for approval of travel expense claims. The union must then properly report all expense payments on the appropriate line items and schedules on the Form LM-2, LM-3, or LM-4 it files. Section 206 of the LMRDA requires the union to maintain records that are sufficient to permit the reports to be verified, explained and checked for accuracy and completeness. Each of these components is discussed in more detail below.

### ***Adopt a Clear Travel Reimbursement Policy***

OLMS does not require a particular travel expense reimbursement policy but suggests that each union adopt a policy that answers the following questions in as much detail as possible:

- Who is eligible to receive reimbursed travel expenses? Must the individual be a union officer or employee? What about members? What about spouses of officials?
- Under what circumstances may reimbursed travel expenses be paid? What if the official attended an event put on by a parent body and the parent body paid some of the travel expenses? What if the local already pays the official a monthly expense allowance?
- What travel expenses are covered by the policy? May the traveler be reimbursed for airline flights, car rentals, or mileage for use of a personal car? What about lodging? Must the official be outside his or her normal work area for a certain period of time in order to be eligible for reimbursement?
- Must the travel or other expense have been authorized in advance?

In addition to making the policy as detailed as possible, the union should periodically review and update it. It is also a good idea for the union to include the requirements of the policy in its constitution and bylaws.

### ***Establish What Documentation is Required to Approve Payment***

The policy should state what documentation is required when a request for reimbursement is submitted for payment: Some unions have adopted a fairly straightforward rule - “no receipt, no reimbursement, no exceptions.” Does the policy require airline receipts, boarding passes, itemized hotel receipts, and itemized receipts for meal purchases required to document expenses relating to attendance at out-of-town conferences, classes, or conventions? Itemized receipts are required to be maintained. Does the policy require that mileage expenses be supported by a log that lists the beginning and ending mileage for each day, the destination, and the purpose of each trip? This level of record keeping is required for mileage expenses.

The travel expense claim made by the union official should refer to the specific union business or purpose of the expense. The authorization for reimbursement should be in writing, such as in the minutes of the meeting where it was granted.

Some unions require that a standard travel expense form be completed when an official claims expenses. OLMS does not require that a form be used. However, a form has the advantage of providing the

information the union needs to review and approve a claim in accordance with its reimbursed travel expense policy. A sample travel expense form is shown below:

Name \_\_\_\_\_ Period ending \_\_\_\_\_ Local Union # \_\_\_\_\_

Date	Location	Purpose	Mileage	Parking, etc.	Other transportation	Lodging	Meals
Totals							

I certify that all expense claims above were for authorized union business.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

### ***Establish Procedures for Approving Travel Expense Reimbursements***

In order for the travel expense to be eligible for reimbursement, it should be for union business and authorized in accordance with the union’s constitution and bylaws. Once an official has submitted a request for reimbursement, how is it approved? Must the claim be approved by a vote of the executive board and/or membership? However travel expense claims are approved, the process should be specified in the union’s constitution and bylaws and/or expense policy. It is important that the union consistently follow its policy for reimbursement of expenses. If the policy requires approval of individual expense claims by the membership, there should be a motion and vote recorded in the meeting minutes.

### ***Report Expense Reimbursements on Form LM-2, LM-3, or LM-4***

All disbursements made during the union’s fiscal year, including reimbursed travel expense payments, must be reported on the Labor Organization Annual Report Form LM-2, LM-3, or LM-4 the union files with OLMS. Carefully read the instructions for the appropriate form before filling out the report. Here are some things to keep in mind when completing the report.

- Form LM-2

List each officer in Column A of Schedule 11 (All Officers and Disbursements to Officers). For each officer listed, enter the total amount of reimbursed expense payments for all expenses necessary for conducting official business in Column F of Schedule 11.

List each employee who received more than \$10,000 in total disbursements from the union and any affiliates in Column A of Schedule 12 (Disbursements to Employees). For each employee listed, enter the total amount of reimbursed expense payments for all expenses necessary for conducting official business in Column F of Schedule 12.

Enter the total of reimbursed expense payments to all employees receiving \$10,000 or less in Column F on Line 6 of Schedule 12.

Do not report reimbursements to officers or employees for the purchase of investments or fixed assets in Schedule 11 or 12. Instead, report them in Schedule 4 (Purchase of Investments and Fixed Assets).

- Form LM-3

List each officer in Column A of Item 24 (All Officers and Disbursements to Officers). For each officer listed, enter the total amount of reimbursed expense payments to him or her in Column E of Item 24.

Enter the total amount of reimbursed expense payments to all employees in Item 46 (To Employees).

Do not report reimbursements to officers or employees for the purchase of investments or fixed assets in Item 24. Instead, report them in Item 52 (Purchase of Investments and Fixed Assets).

- Form LM-4

Add together the reimbursed expense payments to officers and employees, along with other payments such as gross salaries and allowances. Enter this total in Item 18.

If you have any questions, please contact your nearest OLMS field office.

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# OLMS

Office of Labor-Management Standards

U.S. Department of Labor

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