MEMORANDUM

DATE: October 27, 2010

TO: Agency CFO’s and Accounting Personnel

FROM: Anthony I. Armijo

RE: Reimbursement of Baggage Fees Incurred on State Travel

Most airlines are now charging baggage fees. The State may reimburse employees for such fees only if they meet the requirements that (i) travel by common carrier be “accomplished in the most economical manner practical” (NMAC 2.42.2.12(B)(1)) and (ii) expenditures be for a “public benefit and purpose consistent with the related appropriation” and “necessary to carry out the statutory mission of the state agency” (Section 6-5-6(C) NMSA 1978).

The Financial Control Division is providing the following guidance and instituting the following procedure change to assist agencies in ensuring baggage fees meet these requirements.

General Principles
The general principles governing reimbursement of baggage fees are:

- Baggage fees must be avoided whenever possible, consistent with the length and purpose of the State business necessitating the travel;
- Baggage fees may only be reimbursed if incurred because of the length and/or purpose of the State business necessitating the travel;
- When baggage fees cannot be avoided, employees must make reasonable efforts to minimize them; and
- When considering different flights, a traveler must factor baggage fees into the cost.

Specific Applications
Specific applications of these general principles include the following:

- Travelers should make every effort possible to pack lightly to avoid baggage fees.
- If an airline allows two carry-on bags for free but charges fees for all checked bags, travelers should only use permissible carry-on bags on the trip if doing so is consistent with the length and purpose of the State business necessitating the travel.
- If an airline allows a passenger to check two free bags weighing up to 50 lbs. each but charges a fee for individual bags weighing more than 50 lbs., a traveler on a business trip the length and purpose of which necessitates they pack 70 lbs. of clothing and work
papers should check two bags weighing less than 50 lbs. rather than one weighing 70 lbs.

- Under no circumstances may the State reimburse a traveler for baggage fees caused by the traveler’s personal affairs. This includes extra or heavy baggage fees incurred because of personal items purchased during the trip or gifts packed to give to family and friends the traveler will incidentally see on the trip.

Procedure Change
For all travel incurred after November 5, 2010, travelers must attach a memorandum (signed by the agency chief financial officer) to the Itemized Schedule of Travel Expenses, justifying the public purpose and benefit of the fee(s).

Please contact your agency’s assigned FCD Auditor with any questions before a traveler incurs any fees that are questionable under these principles.

AIA:GS