

**Interim Rule #8-Federal Travel Regulation to
Implement the Travel and Transportation Reform Act of 1998**

Effective Date for Implementation

The effective date for implementing the Final Rule will be moved to February 29, 2000.

Anticipated Revisions (to the Interim Rule)

Exceptions to the mandatory use of the card:

We believe that exceptions will be provided for:

- Meals
- Invitational travel

Time Frame for the Timely Processing of Travel Vouchers

The 30 day period (following supervisory approval of the travel voucher) remains unchanged. Some clarifying language will be provided for mail-in vouchers and vouchers filed electronically.

\$1 Minimum for Late Payments on Travel Vouchers Not Processed within 30 Days

The Prompt Payment threshold (\$1) will apply for travel vouchers not processed within 30 days.

Tax Treatment of Payments made to Employees

Prompt Payment-type fees paid to employees for vouchers that are not processed within 30 days will be treated as *interest* (as opposed to income) payments, and will be subject to 1099-INT reporting once the payments exceed the reporting thresholds.

Late Payment charges made to employees (i.e., which equate to late payments that the charge contractor *could have* charged had the employee not paid the bill) will be considered as income to the employee and reported as additional wages on Form W-2. Since our BOA contract allows late payment charges of \$20 per month to be assessed **AFTER** (and **ONLY AFTER**) a charge card account is cancelled, this provision should rarely (if ever) apply to DOI.