Meal Reimbursement Options

Our current local funds policy is to reimburse actuals with no limits. Receipts are not required as long as a single meal is under $75.00. Our tax attorney has recommended that we change our current policy to ensure compliance with IRS. We are only allowed one local funds policy. Any exceptions made to that policy would be considered taxable income to the traveler.

State Funds Policy will remain the same – reimburse up to the GSA rate, no receipts or substantiation required. A department can require receipts but neither the State nor FMO require them.

Local Funds Options:

1. Follow State policy and only reimburse up to the GSA rate, no receipts or substantiation required.
   a. Pro – consistency with having only one policy
   b. Pro – departments don’t have to review receipts or substantiation
   c. Pro – positive impact on budget
   d. Con – limits the travelers on what they can spend
   e. Con – manual process to look up and document the GSA rates. Some require a screen print of the GSA rate to be attached in Concur so it’s there for all approvers to see.
   f. A department can require receipts but FMO will not require nor review them.

2. Reimburse actuals with no limits but require all meal receipts (fiscal responsibility still applies)
   a. Pro – no one needs to keep up with the GSA rate
   b. Pro – a large number of departments want and already require the receipts
      i. Department would be responsible for reviewing the receipts, not FMO.
   c. Pro – no limits so offers the most spend flexibility for the travelers
   d. Con – traveler must keep up with receipts but Concur makes that easier with the mobile app function
   e. Con – more documents/receipts to filter through during back office review even if not responsible for reviewing
   f. Con – possibly higher travel spend vs if there was a GSA limit
   g. A department can still set a limit internally if they want

3. Reimburse actuals with no limits but require receipts/substantiation if the daily meal expenses exceed the GSA rate (fiscal responsibility still applies)
   a. Pro – if they use the travel card with all meals, this provides the required substantiation and would be done in Concur for them
   b. Pro – no limits so offers the most spend flexibility for the travelers
   c. Pro – for those that stay under the GSA rate, receipts or substantiation would not be required
   d. Con – if they don’t use the travel card, traveler must keep track
   e. Con – must know the GSA rate to know what is required during trip and for the expense report
   f. Con – possibly higher travel spend vs if there was a GSA limit
4. Reimburse actuals up to 150% of the GSA rate but all receipts are required like SRS’ current policy (SRS’ current policy requires receipts for the entire trip, not just the days that they go over the GSA rate) We could decide this option would only require receipts for the days that exceeded the GSA rate instead of the entire trip.
   a. Pro – more spend flexibility for the traveler than some other options with lower limits
   b. Pro – consistent policy for PIs
   c. Pro – a large number of departments want and already require the receipts
   d. Department would be responsible for reviewing the receipts, not FMO
   e. Con – must know the GSA rate
   f. Con – possibly higher travel spend vs if there was a GSA limit
   g. Con – traveler must keep up with receipts but Concur makes that easier with the mobile app function
   h. Con – more documents/receipts to filter through during back office review even if not responsible for reviewing

The below option was originally considered but the committee does not consider it to be a viable option that should be considered.

5. Pay a flat per diem up to the GSA rate, no receipts or substantiation required but if a traveler wanted to claim more than the GSA rate, it would be taxable and all receipts would be required
   a. Pro – departments don’t have to review receipts or substantiation
   b. Pro – traveler gets the funds and doesn’t have to keep up with anything
   c. Pro – travel card could still be used. If total of expenses on the card are under the per diem, traveler would be paid the difference.
   d. Con – travel card could be used but if the traveler spends more than the per diem, they would need to reimburse timely or this would be taxable.
   e. Con – some departments feel this would have a negative impact on their travel funds because they don’t feel they are spending this much now.
   f. Con – we don’t want to give cash advances so travelers would have to fund their travel and be reimbursed afterwards or use the travel card
   g. Con – if over the per diem, this would be taxable and all receipts would be required
   h. Con – extra work to process taxable items for department, fiscal office and payroll department
   i. Con – taxable items increase the cost of the department as they pay their portion of the other taxes