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SANTA BARBARA • SANTA CRUZ

VICE PRESIDENT—FINANCIAL MANAGEMENT

OFFICE OF THE PRESIDENT
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September 22, 2006

VICE CHANCELLORS--ADMINISTRATION

Subject: Increase in Travel and Entertainment Meal Rates

The maximum per person amounts for the reimbursement of travel and entertainment meal expenses have been revised as follows:

Travel Meals

The daily meal and incidental expense (M&IE) cap for travel within the continental U.S. (CONUS) has been increased to \$64. This cap amount is based on the FY 2006 highest domestic per diem rate published by the General Services Administration (GSA) for travel within CONUS. Although the University's cap amount is tied to the maximum Federal per diem, travelers may seek reimbursement only for their *actual* expenses in accordance with existing policy. Departments should remind their travelers that only expenses actually incurred are reimbursable. In addition, departments should require their travelers to submit meal receipts if it appears that the travelers are treating the cap as a per diem by routinely claiming the full M&IE amount.

The M&IE cap for travel that is more than 12 hours but less than 24 hours has been increased to \$42.

Business and Finance Bulletin G-28, Policy and Regulations Governing Travel, will be revised to include this information.

Entertainment Meals

The maximum meal rates for entertainment and business meeting meals have been increased in proportion to the M&IE rate for travel within CONUS. The new rates are as follows:

| | |
|--------------------|------|
| Breakfast | \$26 |
| Lunch | \$38 |
| Dinner | \$64 |
| Light Refreshments | \$17 |

These amounts include tax, service, and delivery charges.

Exceptions are limited to 200% of the new rates and must be due to circumstances which are unavoidable or necessary to accomplish a University business purpose. The following are examples of circumstances that would warrant reimbursement of expenses in excess of the standard rates for meals and light refreshments:

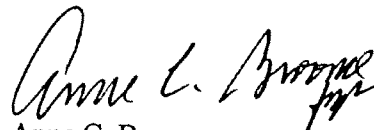
- Meals must be obtained at the hotel or conference site where a meeting is being held;
- Meals must be delivered by a caterer to reduce meeting interruptions or promote event continuity, or due to the location of the event there are no nearby eating facilities; and
- An event, such as a donor cultivation event or recruiting activity, which must be held at a prearranged place appropriate for the event or the expected business benefit.

Requests to exceed the 200% limit must be approved by the President or the Chancellor, for their respective locations. This authority may not be delegated except when the President or Chancellor is absent due to business travel, vacation, illness, or other leave.

Business and Finance Bulletin BUS-79, Expenditures for Entertainment, Business Meetings, and Other Occasions, will be revised to include this information.

The revised meal rates for travel and entertainment are effective for expenses incurred on or after October 1, 2006. The rates will be reviewed annually and adjusted to reflect increases announced by the GSA.

If you have any questions about the new rates, please call Michael O'Neill at (510) 987-0905.



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