

The



March 2015 BRC Blast

What are Meals and Incidental Expenses (M&IE)? Along with lodging, M&IE are subsistence expenses incurred while on travel status. Meals are straightforward but what about incidentals? Take a stab at identifying the three incidental expenses below.

1. A meal tip for your waiter
2. A toothbrush (replacing the forgotten one)
3. An umbrella (you left yours on the plane)
4. A tip for the hotel housekeeper for a great job!
5. A razor (airport security took yours)
6. A small fee for storing your suitcase at the hotel

Hint: Incidental expenses are tips and fees for services for waiters, baggage carriers, hotel housekeepers, and bellhops. Answer: #1, #4, #6

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**What does \$71.00 mean to you?** It means meals and incidentals combined, UC reimburses actual expenses up to \$71 per day; it is not a per diem. Good news: No receipts required!

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Scenario 1 Meals and One-Day Travel You're sitting at the airport preparing to fly back to the Bay Area after a very long day of meetings (no overnight lodging). You grab a sandwich while you're waiting and submit the meal for reimbursement when you return. You're told the meal is not reimbursable. Why?

The IRS Taxable Fringe Benefit Guide states that in order for M&IE reimbursement to be excludable from a traveler's income, the individual must be "away from home" in the pursuit of business on a temporary basis (spending the night or stopping for substantial "sleep or rest"). In other words, no overnight = no M&IE reimbursement.

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**Scenario 2 Meals and Payment on Behalf of Others** You're at a conference in San Diego and on your own for lunch. You and your colleagues go out for Italian and you're in a hurry. You pick up the tab to save time. After returning from the conference, you submit the entire meal for reimbursement (and why not, you were all on business). You're told that the cost of the meal for the other attendees is not reimbursable to you. Why?

Although you're on travel status, University travelers aren't normally reimbursed for expenses paid on behalf of other persons. Each traveler stands alone for any potential tax reporting and is responsible for substantiating the business purpose and expenses for his or her travel, not the travel expenses of others. It may seem expedient to pick up the check for everyone, but doing so and seeking reimbursement for the entire bill is against travel policy and requires exceptional approval.

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*Come to our final **BRC Travel Clinic** this FY on Entertainment (Mar 16 @ 11am in Franklin 9204) Refreshments Provided!*

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