

Chapter 10 - Travel

10.40 Meals

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10.40 Meals

10.40.10 What is the basis for reimbursing meal costs?

10.40.10.a Reimbursement for meal expenses is on a per diem basis not to exceed the amounts in effect at the time of travel, unless:

- An exception is specifically provided by statute, or
- As authorized by Subsection 10.40.20.

The meal allowances for the Continental USA are stated in Subsections 10.90.10 and 10.90.20.

10.40.10.b When it becomes necessary to determine the amount to reimburse for individual meals (from the daily meals rate), use the following calculations rounded to the nearest dollar:

- The breakfast portion is 20% of the set daily meals entitlement.
- The lunch portion is 24% of the set daily meals entitlement.
- The dinner portion is 51% of the set daily meals entitlement.
- Incidental expense portion is 5% of the set daily meal entitlement.

10.40.20 Exceptions to the meal allowances

10.40.20.a Generally, travelers are to be reimbursed for meal expenses at the set per meal entitlement rates stated in Subsections 10.90.10 and 10.90.20. However, the agency head or authorized designee **may require** the agency's employees to provide receipts for meal reimbursement in excess of \$8.00. When receipts for meals are required, reimbursement will be based on an actual cost basis as evidenced by a receipt up to the applicable maximum per meal entitlement amount stated in Subsections 10.90.10 and 10.90.20.

Agencies must formally adopt written policies and procedures under the provisions of Subsection 10.10.10, if they opt to reimburse actual meal costs.

10.40.20.b Whenever statute permits meals to be reimbursed at actual cost and the actual cost exceeds schedule allowances, receipts are to be attached to the Travel Expense Voucher.

- 10.40.20.c The **agency** head or authorized designee may approve reimbursement for the actual cost of a meal when the **agency** requires the employee to attend a meeting that is being held or sponsored by a **non-state** organization. The actual cost of the meal, as evidenced by a receipt, is eligible for reimbursement as long as the meal is an integral part of the meeting. (Refer to Meals With Meetings Subsection 10.40.70)
- 10.40.20.d Meal payments are not required to be reduced or eliminated due to meals served on airlines. Similarly, meal payments are not required to be reduced for continental breakfasts which may be included in the lodging rate or registration fee of a meeting, conference, convention, or formal training session. Agencies should review IRS tax regulations regarding the taxation of these payments.

10.40.30 What types of costs are included in meal allowances?

Meal allowances cover the following costs:

- The basic cost of a meal,
- Any incidental expenses,
- Any applicable sales tax, and
- Any customary tip or gratuity.

10.40.40 Certain meal costs cannot be reimbursed

- 10.40.40.a Reimbursement for meal expenses incurred at the traveler's official headquarters or official residence is prohibited, except for extended work days defined in Subsection 10.40.50.
- 10.40.40.b Reimbursement for meal expenses is not to be authorized when a traveler does not incur expenses for meals because they are furnished.
- 10.40.40.c Where identifiable costs of meals are included in the lodging rate or registration fee of a meeting, conference, convention, or formal training session, the meal costs, not to exceed the designated meal allowances found in Subsections 10.90.10 and 10.90.20, are to be deducted from the traveler's allowable travel reimbursement amount. If the included meal costs are not specifically identified, agencies are not to pay the traveler the meal allowances.
- 10.40.40.d See Subsection 10.40.80 for situations where meals with meetings cannot be reimbursed.

10.40.50 When may a traveler be reimbursed for meal costs?

The following three criteria must be met to receive a meal allowance:

1. Two Hour Rule

A traveler may be reimbursed for meal expenses only after the traveler is in travel status for two hours beyond the traveler's regularly scheduled working hours for any one day. The two hours may consist of hours occurring before or after, or a combination of both before and after the traveler's regularly scheduled working hours for the day.

This requirement is not applicable to the reimbursement provisions of Subsection 10.40.70 (meals when not in travel status).

2. In travel status during the entire meal period

Travelers must be in travel status during the **entire** agency-determined meal period(s) in order to qualify to collect *meal* payments for meal(s), except as provided in Subsection 10.40.70. The traveler may not stop for a meal just to meet the two-hour rule.

3. Extended Work Day

When an official claims reimbursement for meals in conjunction with an extended work day as defined by the various collective bargaining agreements entered into between the State of Maine and its employees, the Expense Voucher must show normal work day and work hours.

10.40.60 Taxation of meal payments

10.40.60.a For **non-overnight** travel assignments, agencies may wish to consult IRS publication 463 regarding the taxation of meal payments.

10.40.60.b For **overnight** travel assignments, IRS publication 463 requires all meals to be reimbursed at the rate in effect for the area where the traveler stops for sleep. The meal reimbursement rate for the last day of travel (return day) would continue to be the rate for the location where the traveler last stopped for sleep.

10.40.70 Reimbursement for meals with meetings

10.40.70.a Section A – 11 of the Preamble to the Biennial Current Services Budget provides for reimbursement for meals, for certain business meetings (includes conferences, conventions, and formal training sessions) involving state employees, and others the agency is legally authorized to reimburse regardless of travel status.

10.40.70.b The agency head or authorized designee may authorize reimbursement for the allowable cost of meals (refer to Subsections 10.40.40 and 10.90.20) of employees of the agency, and others the agency is legally authorized to reimburse, at meetings when the meetings are away from the employee's or official's regular workplace regardless of travel status, and without regard to the Two Hour Rule of Subsection 10.40.50(1). This authority is intended for use when the agency requires a person to attend a meeting where business meals are served, and where:

- The purpose of the meeting is to conduct official state business or to provide training to state employees or state officials; **and**
- The meals are an integral part of the business meeting, **and**
- The agency head or authorized designee approves payment for the meals **in advance** of the meeting by defining in the agency internal policies and procedures (Subsection 10.10.10) those meetings where attendance by an **agency** employee(s) or others, and reimbursement for the meals regardless of travel status, is advantageous to the state.

10.40.80 Expenditures for meals with meetings are prohibited in some cases

Agencies **may not** make expenditures for meals in the following situations:

- For anniversaries of agencies, receptions for new, existing, and/or retiring employees or officials, election celebrations, etc.
- Any "hosting" activities. "Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for meals for those whom agencies are not legally authorized to reimburse.

10.40.90 Documentation of advance approval for meals with meetings is required

Agencies must document the request and approval in advance for expenditures for meals with meetings. Agencies may use a Travel Authorization a formally written agency memorandum for this purpose. The documentation should provide support for the authorization, including:

- The names of the state organizations or persons attending the meeting (includes conferences, conventions, and formal training sessions), and
- The purpose or accomplishments of the meeting.