



State of Arizona Accounting Manual

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Section 25 Meals and Incidentals

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INTRODUCTION

The cost of meals purchased and consumed while traveling on State business may, up to the limits approved by the JLBC, be reimbursed. The reimbursement rates are not designed to cover the entire cost of meals consumed on the road, but to cover the difference between the cost of a meal of which the traveler might otherwise partake when not traveling for the State and the cost of a meal acquired while traveling for the State.

POLICIES

1. Reimbursement rates for meals are proposed by the ADOA Director, reviewed and approved by the JLBC, and published by the ADOA.
2. Meals, the cost of which are less than or equal to the published limits, may be reimbursed when purchased and consumed in conjunction with official State business.
3. To be eligible for reimbursement, the meal must, except as otherwise provided, be consumed while the traveler is in travel status.
4. To be in travel status, a traveler must be more than fifty (50) miles from both the traveler's residence and his regular duty post.
5. Meals that are reimbursed to a traveler when the travel does not involve an overnight stay or a substantial period of sleep or rest are taxable income to the traveler.
6. Reimbursement for meals may not exceed the lesser of the actual amount paid for the meal and incidentals or maximum meal and incidentals reimbursement rate.
7. The meal reimbursement rate includes the cost of the meal, tax, tip and the cost of transportation between places of lodging or business and places where meals are acquired or consumed, if meals cannot be obtained within a reasonable distance from one's lodging or temporary duty post.
8. Although they frequently do so, the amounts allowed for meals and incidentals are not intended to cover the entire cost of meals consumed while in travel status. The amounts, however, are more than sufficient to compensate the traveler for the estimated difference between the cost of a reasonable meal taken on the road and

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the cost of a meal prepared at home or purchased at a cafeteria operating in a State facility.

9. If the traveler does not purchase a meal or the cost of the meal is imbedded in some other cost, the traveler is not entitled to reimbursement for that meal. Situations to which this applies include, but are not limited to meals provided:
 - 9.1. At conferences that are free of cost beyond the registration fee.
 - 9.2. On airplanes and other common carries and are included in the fare.
 - 9.3. To the traveler, without charge, at a State institution.
 - 9.4. On a complimentary basis by the facility at which one is lodged.
 - 9.5. At meetings where a meal is served by those hosting the meeting.
10. Meal reimbursements and the maximum meal and incidentals reimbursement rates are not per diem allowances.
11. Reimbursement rates, rate tables by meal and location are found in SAAM 5095.
12. For travel involving overnight stays, the following policies shall apply:
 - 12.1. On the day of departure and the day of return, the traveler shall be entitled to a reimbursement for actual amounts spent up to seventy-five percent (75%) of the Full-Day Meal Reimbursement Rate of the trip's destination location (i.e., the place at which the employee will arrive and spend the night at the end of the travel day).
 - 12.1.1. The seventy-five percent (75%) limitation on the days of departure and return applies no matter the times of departure or arrival, the length of the travel day, or the number of meals purchased and consumed.
 - 12.1.2. A traveler provided a meal on the day of departure or return at no additional cost to himself must reduce the reimbursement claimed by the amount appropriate to the meal provided. It is possible that this disqualifies the traveler from any meal reimbursement from the State.

Example: A traveler flies from Phoenix to Chicago for a two-day—Tuesday and Wednesday--conference. He leaves for the conference on Monday and returns to Phoenix on Thursday. On Monday, he will be entitled to up to 75% of Chicago's Full-Day meal and incidental reimbursement, or \$48.00 ($\$64.00 \times .75 = \48.00). On Thursday, he will be entitled to up to 75% of Phoenix's Full-Day meal and incidental reimbursement, or \$36.75 ($\$49.00 \times .75 = \36.75). These amounts would be reduced by meals he was provided by others. So, if upon arrival in Chicago, the meeting's host bought him dinner, he would have to deduct \$35.00 dollars, the Chicago dinner reimbursement limitation, from the amount he would be allowed to claim.

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12.2. For travel days involving overnight stays that are neither the day of departure nor the day of return a traveler may be reimbursed up to the Full-Day Meal Reimbursement Rates for the applicable date and location, subject to the following:

12.2.1. The Full-Day Reimbursement Rates are limits for actual meal expenses incurred, not a fixed per diem or allowance amount.

12.2.2. A reimbursement of actual expenses up to the applicable Full-Day Reimbursement Rate may be claimed, no matter the meal or meals upon which the amounts are spent.

Example: The Full-Day Reimbursement Rate for a given location is \$59. The traveler qualifies for an entire day's reimbursement, up to \$59, whether that amount was spent on three meals, two meals or on an expensive dinner. It must be borne in mind, however, that this is a reimbursement and the amount or amounts claimed must actually have been spent for meals by the traveler.

12.2.3. The Full-Day Reimbursement Rate shall be reduced for any meal provided at an event or otherwise paid for by some entity other than the traveler.

Example: A traveler attends a conference at which lunch is served without additional cost to the traveler in a location that has a Full-Day Reimbursement Rate of \$59. The amount of meal reimbursement the traveler may claim is up to \$44 (i.e., the \$59 full-day rate minus the \$15 of the full-day rate that is applicable to lunch).

12.3. A traveler may not claim reimbursement for more than the Full-Day Reimbursement Rate in any single calendar day or in any period of twenty-four (24) consecutive hours.

13. For travel not involving an overnight stay:

13.1. The amount of the reimbursement for that meal is restricted to the Single Day Meal Reimbursement Limit or the Extended Day Meal Reimbursement Limit.

13.2. The amounts of the Single Day Meal Reimbursement Limit and the Extended Day Meal Reimbursement Limit are identified as such in SAAM 5095.

13.3. The Single Day Meal Reimbursement Limit and Extended Day Meal Reimbursement Limit apply:

13.3.1. No matter the travel destination, whether in or out of State, as long as the travel does not involve an overnight stay.

13.3.2. No matter the time of day meals may be purchased or consumed.

13.4. The Single Day Meal Reimbursement Limit applies when the traveler has been in travel status six (6) or more but fewer than twelve (12) consecutive hours.

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- 13.5. The Extended Day Meal Reimbursement Limit applies when the traveler has been in travel status twelve (12) or more consecutive hours.
- 13.6. The Single and Extended Day Meal Reimbursement limits are reduced by any meals provided to the traveler.
14. As stated, an amount representing meals provided the traveler at no cost to himself reduce the otherwise available daily meal reimbursement limits. In applying this policy, it is necessary to determine the amount of reduction, which is related to the time of day at the location where the meal is provided.
- 14.1. A meal provided:
- 14.1.1. Between 12:01 a.m. and 10:00 a.m. in the location where provided is deemed to be breakfast and the amount allowed for breakfast for the day is to be deducted.
- 14.1.2. Between 10:01 a.m. and 2:00 p.m. in the location where provided is deemed to be lunch and the amount allowed for lunch for the day is to be deducted.
- 14.1.3. Between 2:01 p.m. and 12:00 midnight in the location where provided is deemed to be dinner and the amount allowed for dinner for the day is to be deducted.
- 14.2. It is possible that the sum of the allowances for meals provided a traveler certain days exceed the daily allowance is not reduced below zero dollars (0%). This situation, however, might result in no allowance for the day being available for incidentals.
- 14.3. For travel days without overnight travel, the meal reimbursement rates for Phoenix, AZ, are to be used.
15. Incidentals include such things as laundry, chamber maid tips, etc.
16. Tips paid in connection with a meal are considered as part of the cost of a meal.
17. Tips paid to a cab or shuttle driver are considered as part of the cost of the cab or shuttle.
18. Tips that exceed industry standards are not to be reimbursed.
- 18.1.1. The industry standard for tips related to a meal served in a restaurant in the U.S. is between fifteen percent (15%) to twenty percent (20%) of the pre-tax bill.
- 18.1.2. The industry standard for tips related to a meal served in a buffet, fast food or carry-out establishment is zero percent (0%).
- 18.1.3. Tips paid in connection with meals provided free or as part of the registration cost (such as at conferences) are not to be reimbursed.

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19. For days the traveler is actually traveling (i.e., en route) between regular and temporary duty posts or duty posts and his residence, he may, if otherwise qualified, be entitled to be reimbursed for a meal within the constraints of the Single Day Limit or Extended Day Limit.
20. Policies related to meals provided at conferences and seminars are contained in SAAM 5040.
21. Meals satisfying special dietary needs will generally be provided by airlines, conferences, etc., if requested. It is the traveler's responsibility to make, on a timely basis, the necessary arrangements for such special needs. If the traveler's request for a meal satisfying a special dietary need is denied, in order to claim a reimbursement for an expenditure related to a meal that otherwise would have been provided without cost to the traveler, the traveler must provide a statement that details and certifies:
 - 21.1. To whom the request was made.
 - 21.2. By whom the request was denied.
 - 21.3. The reason given for the denial.
 - 21.4. The special dietary needs of the traveler that could not otherwise have been accommodated.
22. To determine the correct rate for meals and incidentals, follow the instructions set forth below.
 - 22.1. For travel within the continental U.S.:
 - 22.1.1. Locate SAAM 5095 "Reimbursement Rates."
 - 22.1.2. Locate the "Meals and Incidentals" column.
 - 22.1.3. If the specific city is listed in the table, use the rate applicable to the city in which the meal is taken.
 - 22.1.4. If the city is not listed but the county in which the city is located is, use the rate applicable to the county in which the meal is taken.
 - 22.1.5. If neither the city nor the county is listed, use the default rate listed at the beginning of the table.
 - 22.2. For travel outside the continental U.S.:
 - 22.2.1. Go to the GAO Website (<https://gao.az.gov/>) and select Travel Information from the Travel Menu.

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22.2.2. Click on the link to Current Alaska, Hawaii and Overseas Rates—Lodging and Meal Index, which will take one to the Defense Travel Management Office (DoD).

22.2.3. Find the rates applicable to the appropriate location and time of year.

22.2.4. To determine the allowable reimbursement rates using the DOD website, the following adjustments and computations must be made:

22.2.4.1. Lodging rates, as posted on the DoD website, apply as a room rate without further modification. To these rates may be added any taxes or other charges imposed by local government jurisdictions.

22.2.4.2. To determine the reimbursement limitations on meals and incidentals in Alaska, Hawaii and out-of-country locations, add the DoD Proportional Meal Rate (not the Local Meal Rate) to the Local Incidental Rate and subtract ten dollars (\$10) from that sum.

22.2.4.3. The breakdown of partial day meals or subtractions for meals provided in Alaska, Hawaii and out-of-country locations can be done using the following percentages of the full-day limitations:

Breakfast	20%
Lunch	25%
Dinner	55%

23. While receipts for meals and incidentals are not required by State policy, they may be required to be submitted or retained for audit by an agency's travel policy.

24. Reimbursement for the purchase of alcoholic beverages or the taxes or tips related to the purchase of alcoholic beverages is prohibited.

25. Unless an agency and/or its employees are granted specific legal authority to do so, State employees may not be reimbursed for purchasing meals for non-State employees.

26. For meals and incidentals relating to travel periods of more than thirty (30) days, refer to the Long-term Travel Topic of SAAM. (See SAAM 5035.)

27. For conferences, conventions and meetings, refer to the Conferences, Conventions and Meetings Topic of SAAM. (See SAAM 5040.)

28. For travel matters relating to non-State employees, refer to the Non-State Employee Travel Topic of SAAM. (See SAAM 5065.)

29. For matters relating to travel advances, refer to the Travel Advances Topic of SAAM. (See SAAM 5052.)

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30. A continental breakfast or similar repast served at a conference or other gathering or provided at a lodging establishment at no cost to the traveler constitutes a meal whether or not it contains protein and no reimbursement for breakfast will be allowed when such meals have been provided.
31. A very light snack—consisting of no more than cookies, pastries, candies, coffee, tea, soft drinks, ice cream and/or similar refreshments—provided by the host of meetings or training events does not constitute a meal.