

Travel Professionals Group

2nd Quarter, 2018

May 31, 2018

Presenter: Cindy Lyons,
Acting Assistant Controller

Agenda

1. What's New
2. Fiscal Year-End Deadlines
3. Travel Request Forms
4. Late Submissions
5. Taxable Transactions
6. Meals
7. IRS rules on business travel combined with personal travel
8. Policy/Procedure Exception Requests
9. Ethics
10. Upcoming Events
11. Open Discussion and Questions

Part 1. What's New?

- Financial Services Travel Website
 - Note the two interactive boxes on the left panel:
 - Notification when page content changes
 - Business Travel Feedback
- Travel Tracker for tracking return dates
- Clarification added to the Procedures on Car and Driver Services

Part 2. Fiscal Year-End Deadlines

- Visit the Financial Services Announcements page for Fiscal Year-End information:
 - <http://www.umaryland.edu/financialservices/announcements/>
- Travel deadline: June 15, 2018 for expenses to be charged to Fiscal Year 2018 (FY18)

Part 3. Travel Request (TR) Forms

- Still have over 100 late TRs per month (i.e. TRs submitted on or after the travel departure date)
- No attachments included in TRs
- Reusing old TRs

Part 4. Late Travel Expense Submissions

- 60 Days
 - Travel Expense Forms submitted more than 60 days after the Return Date are late
 - Late Submission Form is required
 - Reimbursements are taxable income
 - Reported on W-2 with employee's wages
 - Reported on 1099-MISC for nonemployees
- 6 months
 - Travel Expense Forms submitted more than 6 months after the Return Date will not be paid.

Part 5. Taxable Transactions

- Two Types:
 - Day Travel meals (meals reimbursed on trips that do not include an overnight stay)
 - Expense reimbursements submitted more than 60 days after the travel return date

Taxable Transactions (cont'd.)

- Remember to use the appropriate account code:

	Nontaxable	Day Business Travel Meals	Taxable Travel (i.e. 60-day rule)
Employee	3311 - In State	3371	3330 - In State
Employee	3321 - Out of State	3371	3331 - Out of State
Employee	3360 - Foreign	3371	3332 - Foreign
Nonemployee	3311 - In State	N/A	3370 - Taxable Travel Stipend
Nonemployee	3321 - Out of State	N/A	3370 - Taxable Travel Stipend
Nonemployee	3360 - Foreign	N/A	3370 - Taxable Travel Stipend

Taxable Transactions (cont'd.)

- 8.4% of the taxable travel will be charged to the project to cover UMB's share of the employer taxes
 - Day Travel Meals – 8.4% is charged immediately when the transaction is processed. The meal and the 8.4% will show on the Payroll Charges Detail Report (PCD).
 - 60-Day Late – Only the travel expense will show on the PCD. The 8.4% will be charged to a **revolving project** via journal entry processed by Financial Services. First journal entry will post in June, 2018.

Taxable Transactions (cont'd.)

- Do you have taxable travel transactions that need to be transferred to a different sponsored project?
 - **If a taxable travel transaction is posted to the wrong project:**
 - Day Meals – **Process the Cost Transfer via Direct Retro (DR).** The expense and the 8.4% additional tax will be transferred together to the correct project.
 - 60-Day Late – **Process the Cost Transfer via Direct Retro (DR).** The expense will be transferred. The 8.4% additional tax was never charged to the sponsored project. Remember, the 8.4% posted to a revolving project. The 8.4% cost can be transferred via regular journal entry by the department to **another revolving project.**

Taxable Travel Questions?



Part 6. Meals

- **Day Business Travel**

- **Overnight Business Travel**

Note: These conditions are exclusive. That is, a traveler cannot be in both conditions on the same trip. The traveler is either on a day trip or an overnight trip.

Meals – Day Business Travel

- Day Business Travel = Travel that does not include an overnight stay
 - Duration of the Business Travel must be at least eight hours
 - A meal is/are not provided or paid by another entity
 - Receipts required
 - Reimbursements are taxable

Meals – Day Business Travel (cont'd.)

- Reimbursement may not exceed the applicable GSA rate
- Meal times are specified in the Procedure:

Meal	Time Period Served
Breakfast	5AM – 9AM
Lunch	11AM – 2PM
Dinner	4PM – 10PM

Meals – Day Business Travel (cont'd.)

- Operational Units may elect to disallow payments for Day Business Travel meals. It is recommended that the traveler consult with the Operational Unit's Travel Approver **prior to the trip** to determine whether a meal may be reimbursed.
- Operational Units have the authority to establish additional requirements for Day Business Travel meals. An Operational Unit's requirements may supplement, but may not replace, or be less restrictive than, the requirements set forth in this Procedure. Operational Unit requirements must be consistent with IRS regulations and applicable USM and UMB policies.

Meals – Overnight Business Travel

- Overnight Business Travel = Travel that includes an overnight stay
 - Day of Departure and Day of Return:
 - 75% of the total daily GSA per diem for domestic travel
 - 75% of the total daily Dept. of State per diem for international travel

Meals – Overnight Business Travel (cont'd.)

- Domestic Scenario:
 - Charlie attends a conference in Atlanta from March 4 – March 8. He leaves Baltimore on March 4 and returns on March 8. The conference provides lunch each day.

Meals – Overnight Business Travel (cont'd.)

- Eligible Meals:

	Breakfast	Lunch	Dinner
March 4	-----48.00-----		
March 5	16.00	0.00	31.00
March 6	16.00	0.00	31.00
March 7	16.00	0.00	31.00
March 8	-----48.00-----		

- GSA Rate for Atlanta:
- Breakfast - 16.00, Lunch - 17.00, Dinner - 31.00
- Total = 64.00 $64.00 \times 75\% = 48.00$

Meals – Overnight Business Travel (cont'd.)

- International Scenario:
 - Susie attends a conference in London from March 4 – March 7. She leaves Baltimore on March 3 and returns on March 8. The conference provides lunch each day.

Meals – Overnight Business Travel (cont'd.)

- London Meals and Incidentals Rate (M&IE)
= \$191.00

Breakdown:

Breakfast... \$29.00

Lunch.....48.00

Dinner.....76.00

Incidentals....38.00

Total..... \$191.00

Meals – Overnight Business Travel (cont'd.)

- Eligible Meals:

	Breakfast	Lunch	Dinner
March 3	-----114.75-----		
March 4	29.00	0.00	76.00
March 5	29.00	0.00	76.00
March 6	29.00	0.00	76.00
March 7	29.00	0.00	76.00
March 8	-----114.75-----		

– Rate for London:

– Breakfast – 29.00, Lunch - 48.00, Dinner - 76.00

– Total = 153.00 $153.00 \times 75\% = 114.75$

Travel Meals vs. Business Meals

- **Travel Meal:**

- A **Travel Meal** is a meal consumed solely by an individual on travel status.

- **Two types:**

- Day Travel – Taxable
- Overnight Travel – Nontaxable

- A trip is either a Day Trip or an Overnight Trip. One trip cannot contain both types of **Travel Meals**.

Travel Meals vs. Business Meals (cont'd.)

- **Business Meal:**

- A **Business Meal** is a meal, generally occurring off campus, between a UMB employee and one or more non-UMB employees where the business purpose for the expense is clearly identified. Business Meals are governed by the [UMB Policy VIII-99.00\(A\) Food and Business Meals Expense](#) and the [Financial Services Procedure on Food and Business Meals Expense](#). Business Meals can be processed in the eTravel System.

Travel Meals vs. Business Meals (cont'd.)

- A traveler may have a **Business Meal** while traveling.
 - For example, a program director attending a one-day conference schedules a dinner meeting to discuss milestones and next steps with a few conference attendees who are collaborating on the research but work at other institutions.
 - The program director hosts the dinner and seeks reimbursement for the **Business Meal** according to [Food and Business Meal Policy and Procedure](#).
 - The program director may also have a **Day Travel Meal** request for lunch.
 - The **Business Meal** is not taxable. The **Day Travel Meal** is taxable.

Meal Questions?



Part 7. IRS Rules on Business Travel Combined with Personal Travel

- Advise travelers to use caution when planning extended international trips that include personal travel
 - IRS requires that the purpose of the trip is for business
 - Ensure that the business purpose is detailed and clearly stated as it relates to the traveler's job and/or the UMB mission

Part 7. IRS Rules on Business Travel Combined with Personal Travel (cont'd)

- *Whether a trip is related primarily to the taxpayer's trade or business or is primarily personal in nature depends on the facts and circumstances in each case. The amount of time during the period of the trip which is spent on personal activity compared to the amount of time spent on activities directly relating to the taxpayer's trade or business is an important factor in determining whether the trip is primarily personal. **If, for example, a taxpayer spends one week while at a destination on activities which are directly related to his trade or business and subsequently spends an additional five weeks for vacation or other personal activities, the trip will be considered primarily personal in nature in the absence of a clear showing to the contrary.***

Source: 26 CFR 1.162-2

IRS Questions?



Part 8. Policy/Procedure Exception Requests

- The Policy or Procedure Exception Request process is a formal examination of the facts and circumstances in a presented case.
 - Examination includes reviewing historical and relevant data
 - Discussions with the Dean, A-Dean, Legal Counsel, Management Advisory Services, and other experts

Part 8. Policy/Procedure Exception Requests (cont'd.)

- An exception to a policy or procedure increases exposure in other areas
- Discovery may include additional findings that require further examination

Part 8. Policy/Procedure Exception Requests (cont'd.)

- Issues to consider include:
 - Legal
 - Equity
 - Risk
- Additional information may be needed to support a decision
- It could take a week or longer to review the request and deliver a decision

Policy/Procedure Exception Request Questions?



Part 9. Ethical Conduct

- [VIII-7.11\(A\) UMB Code of Ethics and Conduct](#)
 - Act as good stewards of the resources entrusted to UMB's care, and comply with financial requirements and internal controls applicable to funds and property managed by them and under their oversight.

VIII-7.11(A) UMB Code of Ethics and Conduct

(cont'd.)

- Comply with all laws, rules, regulations, policies, procedures, and professional standards, including the Maryland Public Ethics Law, applicable to their employment and their UMB responsibilities, and cooperate with training and continuing education initiatives of UMB to make them aware of their responsibilities.
- Comply with their assigned or assumed responsibilities to fulfill UMB's obligations under contracts, grants, and other legal agreements.

VIII-7.11(A) UMB Code of Ethics and Conduct (cont'd.)

- Disclose and avoid improper or unlawful conflicts of interest and conflicts of commitment.
- Report known or reasonably suspected wrongdoing; refrain from retaliating against those who report known or reasonably suspected wrongdoing; and cooperate fully with authorized investigations of reports of wrongdoing.

Part 10. UPCOMING EVENTS

Quantum Financials Town Hall

June 4, 2018

1:00 – 3:00

Elm Ballroom, SMC Campus Center

No registration required.

More information:

<https://elm.umaryland.edu/quantum-financials-town-hall-set-for-june-4/>

Surviving an Audit

June 6, 2018

10:00 – 12:00

School of Dentistry, Room G205

myUMB>Enroll in UMB Systems Training>Add
Course>Course Type is Management Advisory
Services

Internal Control Training

June 13, 2018

10:00 – 12:00

School of Dentistry, Room G205

myUMB>Enroll in UMB Systems Training>Add
Course>Course Type is Management Advisory
Services

Upcoming Events

Disbursements Workshop: Using the eTravel System – Beyond the Basics

June 28, 2018

10:00 – 12:00

School of Pharmacy, Room N111

Submit your scenarios to travelhelp@umaryland.edu

To Register: myUMB>Enroll in UMB Systems
Training>Add Course>Course Type is Disbursements
Workshop

Travel Professionals Group 3rd Quarter Meeting

September 20, 2018

10:00 – 12:00

Location: TBD

myUMB>Enroll in UMB Systems Training>Add
Course>Course Type is Travel Professionals Group

Questions?

