

Concur Expense: Travel Allowance United States

Setup Guide for Standard Edition

Last Revised: December 10, 2021

Applies to these SAP Concur solutions:

- Expense
 - Professional/Premium edition
 - Standard edition

- Travel
 - Professional/Premium edition
 - Standard edition

- Invoice
 - Professional/Premium edition
 - Standard edition

- Request
 - Professional/Premium edition
 - Standard edition

Table of Contents

- Section 1: Overview1**
- Section 2: Daily Allowances.....1**
- Section 3: Actual Expenses Compared to Allowance Limits2**
 - General Rules2
 - Allowance Location2
- Section 4: Rates3**
- Section 5: Lodging Allowance.....3**
- Section 6: Meals Allowance4**
 - Partial Days4
 - Multiple Trips on the Same Date5
 - Provided Meals.....5
 - Meals System Calculation Logic.....6
- Section 7: Configuration6**
 - Access the Travel Allowance Options Page.....6
 - Configure the Travel Allowance Options7
 - About Expense Types.....7
- Section 8: What the User Sees10**

Revision History

Date	Notes / Comments / Changes
August 10, 2022	Minor changes to align with current style guidelines and best practices.
December 10, 2021	Updated instructions for Product Settings page
January 21, 2021	Updated the copyright; added Concur to the cover page title; cover date not updated
April 16, 2020	Renamed the Authorization Request check box to Request on the guide's title page; cover date not updated
January 3, 2020	Updated the copyright; no other changes; cover date not updated
August 10, 2019	Minor edits.
June 8, 2019	Updated text and images throughout to reflect UI name change from "Cost Tracking" to "Custom Fields".
January 10, 2019	Updated the copyright; no other changes; cover date not updated
April 6, 2018	Changed the check boxes on the front cover; no other changes; cover date not updated
November 4 2017	Updated guide to include new Product Settings page, which replaces the Setup Wizard.
March 18 2017	Updated with menu option name change to access Setup Wizard.
December 15 2016	Changed copyright and cover; no other content changes.
February 19 2016	Updated the Configure the Travel Allowance Options section to include more information about Expense Types.
November 20 2015	Updated graphics to reflect updated step names and instructional text where applicable.
September 18 2015	Added a note about how enabling travel allowance activates related account codes that may need to be configured.
March 13 2015	New document

Travel Allowance (United States)

NOTE: Multiple SAP Concur product versions and UI themes are available, so this content might contain images or procedures that do not precisely match your implementation. For example, when SAP Fiori UI themes are implemented, home page navigation is consolidated under the SAP Concur Home menu.

This page of Product Settings is visible only when enabled by SAP Concur.

Section 1: Overview

A company may reimburse its employees' travel expenses according to a schedule of set reimbursement rates, commonly known as "per diem" or "travel allowance" rates. The rates are governmental and may differ depending on location and length of travel as well as partial days of travel, seasonal travel, and so on. Travel allowances apply to meals (which usually include incidentals) and lodging expenses. Travel allowances do not apply to expenses such as car rentals, airline tickets, seminars, and so on.

The definition of a business trip is when the employee travels further than the employee's normal trip between work and home. Reimbursement is calculated based on the *duration* (number of hours) the employee is away from the employee's home location during each day of the trip.

There are two types of travel allowances: daily allowance and actual expenses compared to allowance limits. The most common method of reimbursement is **daily** allowances for meals and standard lodging (no travel allowance for lodging). If actual expenses are fully reimbursed, the company should track the amount paid over the regulatory limit because that amount may be viewed as needing special handling in the financial systems. For example, this amount would typically not be billable against any contract where the guidelines of the contract dictate the use of the US travel allowance rules. Types of companies that might have this consideration are those involved with government grants or contracts, such as defense contractors or publicly funded educational institutions.

Section 2: Daily Allowances

With a **daily** type of travel allowance, the employee is reimbursed the daily rate regardless of the actual amount of expenses.

Since the employee is paid the amount regardless of the actual expense, the employee does not enter actual expenses into Concur Expense or collect receipts. The system creates the daily-amount expenses based on location and duration information that the employee provides by preparing an itinerary.

For example, assume that the daily rate for meals (including incidentals) is 50.00 USD per day.

- If the employee spends less than 50.00 USD per day, the employee keeps the difference.

- If the employee spends more than 50.00 USD per day, the employee is responsible for paying the difference.

Section 3: Actual Expenses Compared to Allowance Limits

With an **actual expense** type of travel allowance, there is a schedule of reimbursement rates but the employee may or may not be paid the reimbursement rate.

The employee enters the actual expense into Concur Expense and the system compares the actual expense amount to the rate (limit). Then:

- If the actual expense is *less than or equal to* the limit amount, the company reimburses the employee for the actual expense amount.
- If the actual expense is *greater than* the limit amount, the company may reimburse the employee for the actual expense amount or perhaps only up to the limit amount.
 - ◆ **Actual Expenses up to Allowed Limit.** If company policy dictates that the employee is reimbursed only up to the limit, then the employee is responsible for any amount above the limit.
 - ◆ **Actual Expenses (with over-limit tracking).** If policy dictates that the employee is reimbursed the amount of the actual expense, then the company pays the employee the full amount of the expense, but also keeps track of the amount that is over the limit for special handling in the financial systems. For example, the amount that is over the limit may not be billable to the client and may be charged as company overhead.

General Rules

A trip must be 12 hours or more to qualify for any travel allowance at all.

The meals allowance for the first day and last day of the trip are calculated at 75% of the regular allowance amount.

Allowance Location

These rules are used for calculating travel allowance location when employees visit multiple countries.

If several countries were visited during the same day, the last country visited that day determines the travel allowance rate. This is based on the traveler's location at 11:59 P.M.

- **First day of a trip:**
 - ◆ The day of departure uses the travel allowance rate for the location of the traveler at 11:59 P.M.
 - ◆ If the traveler has not arrived by 11:59 P.M. (is still in transit), then the domestic rate (departure location rate) applies for the departure day.

- The rate paid for the traveler's day of return is based on where the traveler spent the previous night.

Section 4: Rates

The rates for the US/GSA (United States/General Services Administration) locations are published separately for CONUS (Continental US) and OCONUS (Outside Continental US) locations. Rates are often adjusted for peak and off-peak seasons for popular travel destinations (seasonal rates). Concur Expense allows for these seasonal rate changes.

NOTE: These rates are updated by the US government on a monthly basis for OCONUS and quarterly for CONUS locations. Rates for Alaska, Hawaii, and other outlying possessions are provided with the OCONUS rates.

Section 5: Lodging Allowance

Lodging taxes are included in the published foreign allowance amounts, but not included in the US domestic allowance amounts and must be itemized separately for domestic expenses. This presents some additional requirements for:

- Travelers that personally pay the difference between the allowed lodging rate and a higher-cost accommodation; and
- Companies who pay the traveler the actual amount of the lodging expense, but bill only the amount up to the allowance amount to the a contract or grant.

Most auditors interpret the regulations to mean that when a lodging expense is partially reimbursed/allowed, the accompanying hotel taxes must also be divided into reimbursed/billable and personal/overhead portions.

In these cases, the taxes are prorated in order to divide them into billable and overhead or personal portions for the financial systems. For example, if the lodging expense is 100 USD and the allowance is 75 USD, then 75% of the lodging taxes are billable to the government contract and 25% are overhead to the contractor. If the traveler is personally paying this difference in lodging costs, then 25% of the lodging taxes are a personal cost and not reimbursable.

For the following scenario, and a travel allowance configuration where the employee is reimbursed 100% of the expense, but the company can bill the government contract only up to the limit, the resulting ledger entries would be as follows.

Assume:

- Entry 1 – Hotel = 100 USD
- Entry 2 – Hotel Taxes = 31.28 USD

Entry	Expense Type	Disbursement	Amount USD
Entry 1	Hotel	Reimbursed to employee	100.00
Entry 1	Hotel	Bill to contract	(75.00)
Entry 1	Hotel	Overhead write-off	(25.00)
Entry 2	Hotel Taxes	Reimbursed to employee	31.28
Entry 2	Hotel Taxes	Bill to contract	(23.46)
Entry 2	Hotel Taxes	Overhead write-off	(7.82)

If the traveler selects the **Travel Allowance** check box on the hotel expense prior to itemizing then SAP Concur will correctly set the value. SAP Concur will select (check box enabled) the **Travel Allowance** check box for foreign lodging tax and clear it (check box not selected) for domestic US lodging tax.

Section 6: Meals Allowance

The basis for US/GSA travel allowance calculations is *meals*. The assumption is that the traveler receives an allowance for three meals a day plus a nominal amount for incidentals.

NOTE: If the total duration of the trip is 12 hours or less, the user is not eligible for any allowance.

Partial Days

The US/GSA rules define how to calculate the Meals and Incidental Expenses (M&IE) allowance for full and partial days in a trip. From Federal Travel Regulation (FTR), Section 301-11.101:

- **Trip less 12 hours:** The traveler is not eligible for any travel allowance.
- **Trip more than 12 hours but less than 24 hours:** The traveler receives 75% of the applicable M&IE rate.

If the period spans two calendar days, the traveler receives 75% for each calendar date.

NOTE: Based on 26 CFR* 1.62(c) – In accordance with the US/GSA's federal travel regulations, employers may prorate the federal M&IE rate by allowing 75% of the applicable federal M&IE rate for each partial day of travel away from home.

*Code of Federal Regulations

-
- **Trip more than 24 hours:**
 - ◆ **For the day of departure:** 75% of the applicable M&IE rate
 - ◆ **For each full day of travel:** 100% of the applicable M&IE rate

- ◆ **For the day of return:** 75% of the applicable M&IE rate

Multiple Trips on the Same Date

The US GSA does not define how the allowance should be calculated when two or more trips occur on the same date. The choice employed by SAP Concur is to use cumulative rules.

With the recommended cumulative setting:

- A single 75% allowance is given for the last trip for that date.
- If there are two single-day trips on the same date, one of the trips must exceed 12 hours or neither will receive an allowance.

Provided Meals

Provided meals must be indicated by the employee and are deducted from the allowed allowance. An example would be a conference where lunch is provided as part of the event. The employee should indicate that this meal is provided and reduce the allowance accordingly.

The US government published this meals breakdown based on the full meals allowance.

Meals Rate (USD)	Breakfast (USD)	Lunch (USD)	Dinner (USD)	Incidentals (USD)
39	7	11	18	3
44	8	12	21	3
49	9	13	24	3
54	10	15	26	3
59	11	16	29	3
64	12	18	31	3

NOTE: The meals rate information is published by the GSA in Chapter 301 of the FTR. This rate data is provided as sample only and should always be verified against the current US government regulations.

Any deduction can reduce the allowance amount to zero, but never less than zero, that is, it can never result in a charge to the employee.

Meals System Calculation Logic

The calculation is based on the following information: date, rate location, travel allowance type, overnight indicator, and provided meals or benefit-in-kind meals indicators.

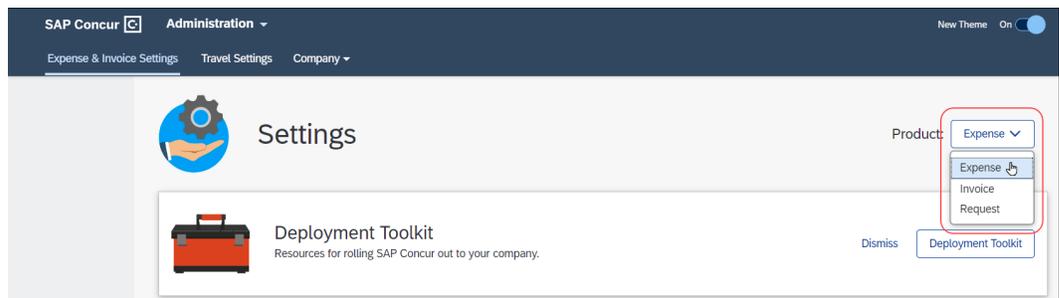
1. **Trips less than 24 hours:** If the total duration of the trip is less than 24 hours, special handling is applied:
 - ♦ **Trip less than 12 hours:** If the total duration of the trip is less than 12 hours, the allowance amount is set to zero.
 - ♦ **Trip greater than 12 hours but less than 24 hours:**
 - **Single date:** The system multiplies the base rate by 75% to obtain the calculated rate.
 - **Two calendar dates:** No special handling; each date follows the normal first/last day calculation.
2. **First/Last day:** For the first or last day of travel of a trip that spanned more than one date, the system multiplies the base rate by 75% to obtain the calculated rate.
3. **Provided meals:** The system subtracts the amount of each provided meal from the calculated amount. The amount for each meal deduction is a predefined amount of the 24-hour allowance.

Section 7: Configuration

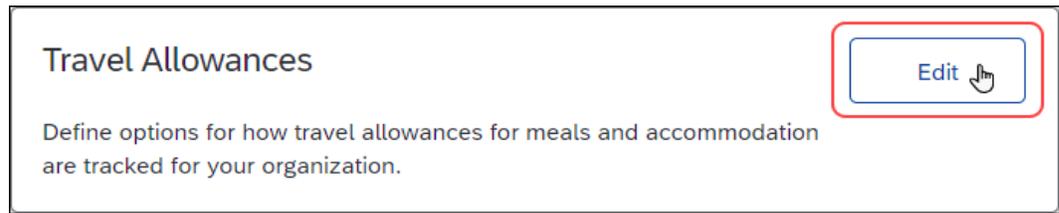
Access the Travel Allowance Options Page

- ▶ **To access the Travel Allowance Options page:**

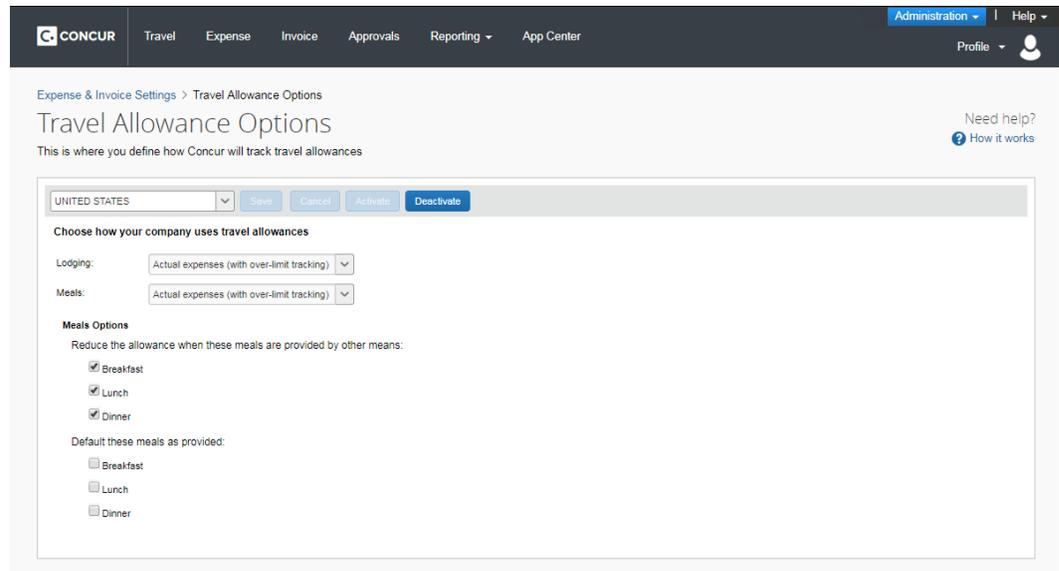
1. Click **Administration > Expense Settings** or **Expense & Invoice Settings**.
2. In the **Product** list, click *Expense*.



- In the **Policy** section, on the **Travel Allowances** tab, click **Edit**.



The **Travel Allowance Options** page appears.

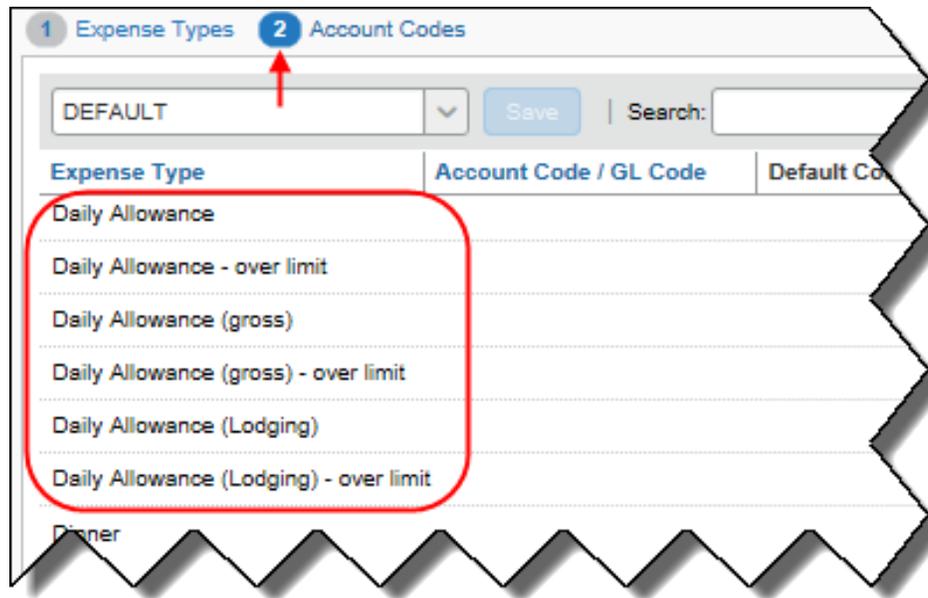


Configure the Travel Allowance Options

About Expense Types

When SAP Concur enables the travel allowance feature, related account codes are activated. Ensure that you configure the account codes that you will use:

Section 7: Configuration



Expense Type	Usage	Used when..	Comments
Daily allowance	Fixed meals allowances	Meals = Daily allowance	
Daily Allowance (gross) Overnight Provided meals Taxable meals	Itemized fixed meals	NA	Not currently configurable within Standard
Daily Allowance (Lodging)	Fixed lodging allowances	Lodging = Daily allowance	
xxx - over limit	Company pays more than gov't allowance	either or both = Actual Expenses (with over limit tracking)	Only applies to reimbursable allowances within Standard

For more information on account codes, refer to the *Expense Types Setup Guide for Concur Standard Edition*.

▶ **To configure Travel Allowance:**

1. On the **Travel Allowance Options** page, select an option from the **Lodging** list.

Option	Description
Not Used	Travel allowance is not used.
Daily allowance	Flat allowance amount (per diem) is used.
Actual expenses up to allowed limit	The system compares the actual expenses entered by the user to the allowed limit. Amounts up to the limit are reimbursed and amounts over the limit are not.
Actual expenses (with over limit tracking)	The system compares the actual expenses entered by the user to the allowed limit. The full amount is reimbursed to the user, and the system tracks the amount above the government limit for separate treatment in the financial systems.

2. Select an option from the **Meals** list.

Option	Description
Not Used	Travel allowance functionality is not used
Daily allowance	Flat allowance amount (per diem) is used
Actual expenses up to allowed limit	The system compares the actual expenses entered by the user to the allowed limit. Amounts up to the limit are reimbursed and amounts over the limit are not.
Actual expenses (with over limit tracking)	The system compares the actual expenses entered by the user to the allowed limit. The full amount is reimbursed to the user, and the system tracks the amount above the government limit for separate treatment in the financial systems

3. (Optional) Select (enable) the check boxes for the desired meal options when travel allowances are used for meals.

Reduce the allowance when these meals are provided by other means. This option will show or hide the provided meals check boxes from the user. The recommended setting for the US is to show this for all meals.

- ◆ **Default these meals as provided.** This option will set the default value of the meal as either not provided (no deduction) or provided. The recommended setting for the US is leave all unchecked.

4. Click **Save**.

Section 8: What the User Sees

The user provides their journey information, so that the system knows the location to use for their allowance basis.

Next, the user provides information about each day of the trip.

Then, based on the options selected by the admin, the system will either create daily allowance expenses or track the difference between actual expenses and the tax-free amount allowed by government rules.

▶ **Accessing the Travel Allowance wizard**

1. On a new expense report, click **Next**. The Travel Allowances prompt appears.
2. Click **Yes**. The wizard appears.
3. Alternatively, from an existing expense report, click **Details**.
4. Complete the wizard as needed.
5. Click **Create Expenses**. The daily allowance expenses are added to the expense report.

NOTE: To view the **Reimbursable Allowances Summary**, use the **Details** list.

