Expense: Travel Allowance Configuration Guide – Denmark

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Revision History

Date	Revision Notes/Comments
August 10, 2022	Minor changes to align with current style guidelines and best practices.
January 21, 2022	Updated the copyright year; no other changes; cover date not updated
February 4, 2020	Updated the copyright; no other changes; cover date not updated
May 29, 2019	Updated the title and date on the cover page
February 15, 2019	Updated the copyright; no other changes; cover date not updated
March 27 2018	Updated the copyright; no other changes; cover date not updated
January 17 2017	Changed copyright; no other content changes.
February 19 2016	Added new option to support tracking of recurring visits to the same location in order to determine employee taxability
November 23 2015	Added information about allow_negative_allowance (from Feb 2012)
June 13 2014	General updates in ConfigImporter (trx_type 500)
December 28 2012	Made rebranding and/or copyright changes; no content changes
August 12 2011	Added information about: • Addition of the External URL and External URL's Text fields to the TA Configuration page
December 14 2009	Changed the name of the *Travel Allowance* chapter to the *Expense: Travel Allowance Setup Guide*
October 16 2009	Single row itinerary check can now be used in the current user interface
August 28 for the September 18 2009 release	Added information about the new **Display Quick Itinerary Wizard** option on the **Edit Travel Allowance Configuration** page in Expense Configuration Administrator
June 19 2009	Corrected the note in *Single-Day Trips* to read: Some clients elect to pay **no** allowances at all for a partial day of travel. This can be configured by changing the value for the system calculation property *pay_partial_day_allowance* to No.
December 24 2008	The options on the **Edit Travel Allowance Configuration** page in Expense Configuration Administrator were rearranged into a more logical order. The options in *Configuration Options* in this guide were rearranged to match. Functionality has not changed.
Aug 1 2008	Initial publication for Concur Travel & Expense

Table of Contents

Chapter 1: General Information

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.

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 determined by governmental and company policies 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 includes incidentals) and lodging expenses. Travel allowances do not apply to expenses such as car rentals, airline tickets, seminars, and so on.

There are two types of travel allowances: fixed and reimbursable.

Fixed Allowances

With a ***fixed*** type of travel allowance, the employee is reimbursed the fixed rate regardless of the actual amount of expenses. For example, assume that the fixed rate for meals (including incidentals) is 55.00 EUR per day.

- If the employee spends less than 55.00 EUR per day, the employee keeps the difference.

- If the employee spends more than 55.00 EUR per day, the employee is responsible for paying the difference.

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 fixed-amount expenses based on location and duration information that the employee provides by preparing an itinerary.

Reimbursable Allowances

With a ***reimbursable*** 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.

  ♦ 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. In some cases, the

amount paid to the employee that is over the limit becomes taxable to the employee. In other cases, the amount that is over the limit may not be billable to the client and may be charged as company overhead.

♦   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.

Additional Definitions and Descriptions

For additional information about travel allowances and the options for configuring the travel allowance pages in Expense, refer to the *Expense: Travel Allowance Setup Guide*.

For additional information about the Travel Allowance Import, refer to the *Travel Allowance Import* chapter in the client-facing Concur Expense - Import and Extract File Specifications.

Chapter 2: Requirements

General

The Danish travel allowance model compensates the employee for meals and incidentals and does not include lodging expenses (which are reimbursed at the actual expense amount). The system is based on the number of hours of travel for each day of the trip.

The typical method of reimbursement is fixed allowances or reimbursable allowances for meals and actual expenses for lodging.

Allowance Location

The following are rules for determining the travel allowance location.

- The allowance location is based on the location where the day of travel ends (*midnight* of that day).

   NOTE: The system defines *midnight* as 11:59 P.M.

- The day of return travel uses the travel allowance rate of the last location visited (where the traveler spent the previous night).

- If an international trip has a duration of less than 10 hours, then the trip is considered domestic and the domestic allowance rate is used.

Definition of a Day of Travel

A day of travel is defined as the calendar date by the Danish government; however, some companies elect to use a 24-hour period. The system will use the calendar date by default but may be configured to use either one. Refer to the *System Calculation Properties* section of this document.

- **Calendar date:** Danish government definition, and default setting

   A day of travel is defined by the calendar date.

- **24-hour period:** Optional configuration setting

   A day of travel is defined as a period of no more than 24 hours beginning from the time that the employee sets out on a business trip from his workplace or home. A day of travel ends at 24 hours (when the next day commences) or when the employee returns from a business trip to his workplace or home.

   For example, if the traveler departs on day 1 at 4:00 pm then the first day of travel is the 24-hour period until the following calendar date at 4:00 pm, when the second day of travel commences.

Rates

The Danish government publishes the meals allowance amounts on an annual basis for all domestic locations and specific international countries.

Lodging Allowance

Lodging allowances are not defined by the Danish government. Employees are expected to report and are reimbursed for actual expenses. However, the system will support lodging allowances using the generic logic if the appropriate rates are loaded and the configuration adjusted to use them.

Meals Allowance

The Danish allowance is a travel allowance that covers meals and incidental expenses. The basis for the meals allowance is the number of hours for that day of travel.

Multiple Trips on the Same Day

If multiple trips occur on the same day, each trip is calculated independently of the other based on the number of hours traveled for that trip and day.

Auto-Create Incidental Expenses

Clients using reimbursable allowances for meals may want to provide their users with a quick way to account for the incidental allowance amount without requiring the user to enter actual expenses listing their expenditures. This option can be turned on, allowing the user to create incidental expenses from the **Expenses & Adjustments** page.

In this example illustration, the page is being used to indicate provided meals and to create incidental expenses. The user clicks the **Create Expenses** button to create an incidentals expense with an amount equal to the incidentals portion of the allowance for each day of the trip. Some important points to remember:

- The system creates these expenses only once. If the user deletes them, the system will not recreate them.

- If the user modifies the itinerary to be longer, the user creates the incidental expenses for the new dates by accessing the **Expenses & Adjustments** page and clicking **Update Expenses**.

- If the user modifies the itinerary to be shorter, the system will not delete the unneeded incidental expenses. They will be flagged with an exception that they are outside of the itinerary dates and the user can then delete them or adjust the itinerary.

- If the allowance rate is in a currency different from the user's reimbursement currency, these incidental expenses will be created in the reimbursement currency with an amount based on the exchange rate applicable for that day between the allowance currency and the reimbursement currency.

To use this option, several items need to be configured:

- Change the value for the system calculation property *create_incidentals* to Yes.

- If needed, change the value for the system calculation property *incidentals_exp_key* from the default value of INCTS to the appropriate value.

- Ensure that the selected expense type has the configuration setting for **Display this User Interface** = Meals.

- Ensure that account codes have been set for the selected expense type for over limit.

- Ensure that the travel allowance rates loaded have a value for incidentals.

Provided Meals

For any day of the trip during which the employee receives free meals or meals included in the price of a travel ticket or lodging, the fixed travel allowance for the day is reduced. Note that the allowance cannot be reduced to less than 25% of the original allowance amount (the amount allowed for incidental expenses).

Provided Meal	Reduction amount
Breakfast	15%
Lunch	30%
Dinner	30%

NOTE: This rate data is provided as sample only and should always be verified against the current government regulations.

Partial Days

There is no allowance allowed for trips lasting less than 24 hours based on the entire duration of the trip.

For the first and last day of a multiple-day trip, the allowance is based on the total number of hours, where the traveler receives 1/24 of the allowance for each hour of duration for that day.

Allowance = Rate x (hours traveled / 24)

- If the day includes a partial hour of travel, the hours are rounded ***up*** to the whole hour for determining the rate.

- Ordinarily when provided meals deductions are made on the first or last day, the resulting allowance will never be less than zero (0). The system may be optionally configured to allow partial days to result in a negative allowance. This supports the interpretation that the value of the provided meal should be deducted from the allowance even if it results in a negative amount, with the assumption that the overall cumulative allowance for the entire trip will be a positive amount for the employee. To enable this option, the system calculation property **allow_negative_allowance** is set to Y.

NOTE: Some clients elect to pay no allowances at all for a partial day of travel. This can be configured by changing the value for the system calculation property *pay_partial_day_allowance* to No.

Single-Day Trips

If a meal allowance is paid for one-day business trips (trips with a total duration less than 24 hours) as many companies elect to do, it is always taxable. If the system is configured to pay this allowance, then it is marked as fully taxable and uses the over-limit account code set for the expense type. The allowance calculation used is the same as for the first and last day of a multiple-day trip.

NOTE: Some clients elect to pay **no** allowances at all for a partial day of travel. This can be configured by changing the value for the system calculation property *pay_partial_day_allowance* to No.

Chapter 3: System Calculation Logic

Fixed or Reimbursable Meals

The calculation is based on the following information: date, rate location, travel allowance type, and provided meals indicators.

NOTE: Values in this calculation that are based on values set in a system calculation property are followed by the property name in brackets: [Example]

The system looks up the base rate for the date, destination, and category method. This becomes the calculated rate and the base rate. The calculated rate is now adjusted according to the following steps.

1. The system determines the number of hours traveled on the date in question. If this is *not* the first or last day of travel, the system sets the number of hours used to calculate the meals allowance to a full day, which is 24 hours.

   ♦ **Calendar date method:**

     • **First Day:** The system uses the trip start date and time and subtracts it from 24 hours to determine the number of hours traveled on that day. If the hours are less than the minimum hours for a meals allowance, no meals allowance has been earned.

     • **Last Day:** The system totals the number of hours between midnight and the trip end time to determine the number of hours traveled on that day. If the hours are less than the minimum hours for a meals allowance, no meals allowance has been earned.

   ♦ **24-hour period method:**

     • **First Day:** The system uses the trip start date and time to define the start hour of the 24-hour period of a day.

        - If the total duration of the trip equals or exceeds 24 hours, the system sets the first day to 24 hours.

        - If the total duration of the trip is less than 24 hours, the system sets the first day to the total duration of the trip (in hours). In this case, the allowance date used is the first calendar date in the 24-hour period.

     • **Last Day:** If the trip is a multiple-date trip and exceeds 24 hours in total duration, the system calculates the number of hours for the last date. The system uses the trip start time to define the start of the last day and trip end time to define the end of the last day.

        - To determine the number of hours on the last day, the total number of hours in the trip is divided by 24 to get the remainder.

        - When calculating the number of hours for the last day, the system will convert the departure and arrival times to GMT to determine the actual number of hours elapsed.

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2. Look up the base rate for the date, destination, and category method. This becomes the calculated rate and the base rate. The calculated rate is now adjusted according to the following steps.

3. **Trip less than 24 hours:** If the total duration of the trip is less than 24 hours, the system checks the value for the property [pay_single_day_trip_allowance].

    ♦   If it is set to N, the system sets the allowance amount to zero.

    ♦   If it is set to Y, the system calculates the amount and marks the entire expense as taxable.

4. **First/Last Day:** The system checks the value for the property [pay_partial_day_allowance].

    ♦   If it is set to Y, the system determines the total number of hours for the day and multiplies the rate by the total number of hours (partial hours are rounded up to a whole hour) divided by 24.

        Calculated Rate = Rate x (hours traveled / 24)

    ♦   If it is set to N, the system sets the allowance amount to zero.

5. **Provided Meals:** The system multiplies the meal percentage by the original base rate for each provided meal, then subtracts the resulting amount from the calculated rate.

6. **Provided Meals Adjustment:** If the system is configured to prevent negative allowances [allow_negative_allowance = N], then the resulting meals allowance is checked. If the provided meals calculation (above) brings the rate amount below zero, the system resets the rate to zero.

Chapter 4: System Calculation Properties

Country-specific calculation properties are stored in the CT_TA_CALC_METHOD_PROPERTY table. ***These properties are initialization data; therefore, these values are not imported via the Travel Allowance Importer.*** These properties are used for all Danish travel allowance calculations. They cannot be set differently for different travel allowance configurations sharing the Danish calculation method.

The following properties are used for Danish rules:

Name	Value	Description
allow_negative_allowance	N	Defines whether an individual day's allowance may be negative This might occur for a partial day with provided meals deductions.
create_incidentals	N	When using reimbursable meals, automatically create an expense equal to the incidentals amount for the user for each day of the trip
incidentals_exp_key	INCTS	Defines the expense type to be used when creating incidentals expenses for the user
incidentals_factor	25	No longer used
pay_partial_day_allowance	Y	Pay the user for a partial day of travel in a multiple day trip (Y/N)
pay_single_day_trip_allowance	N	Pay the authorized single day trip allowance (Y/N)
use_24hour_day	N	Defines whether the 24 hour period is used for domestic trips. If this is set to N, then the calendar date definition is used.

Chapter 5: Configuration Options

These country-specific configuration options are presented in the same order and with the same record type (trx_type) numbers as in the client-facing *Travel Allowance Import* chapter of the client-facing Concur Expense - Import and Extract File Specifications.

SettingsImporter (trx_type 100)

The calc_method_code = DANISH.

The rate_feed_time_bands field must be left blank for Danish rules.

Travel Allowance *REQUIRED* Rates	
The settings below for the 100 record represent the <u>typical</u> settings for Denmark and must be reviewed to ensure they are correct for a given client's needs.	
lodging_rate_required	N
overnight_rate_required	N
meals_rate_required	Y
incidentals_rate_required	Y
breakfast_deduction_required	Y
lunch_deduction_required	Y
dinner_deduction_required	Y
breakfast_bik_deduction_required	N
lunch_bik_deduction_required	N
dinner_bik_deduction_required	N
custom_rate_required	N

TimeBandRateImporter (trx_type 200)

Not used by Danish rule.

RateImporter (trx_type 300)

The lodging_rate field must remain empty unless the client is supplying the lodging rate; lodging rates are not provided by the Danish government. (See the *Lodging Allowance* section in this document.)

If "meals" is set to reimbursable, then the incidentals rate is required.

ExpiredRateImporter (trx_type 310)

There are no special requirements for this country.

RateLocationMapImporter (trx_type 400)

There are no special requirements for this country.

ConfigImporter (trx_type 500)

After the initial import, the configuration can be modified via import or using **Administration** > **Expense Admin** > **Travel Allowance** (left menu), on the **Configurations** tab.

The table below describes the options specific to this country. Note the following:

- The field descriptions are not shown here. Refer to the *Expense: Travel Allowance Setup Guide*.

- The **Field** column below shows the field name as it appears and in the same order as on the **Modify Travel Allowance Configuration** page in **Administration** > **Expense Admin** > **Travel Allowance** (left menu), on the **Configurations** tab as well as in the *Expense: Travel Allowance Setup Guide*.

Field	Country Specific Notes
General Options	
Configuration Name	Client preference
Configuration Code	Client preference
Calculation Method Code	As described in the *SettingsImporter (trx_type 100)* section of this guide
Rate Feed Code	Set based on client preferences
Government and Company Rates Types	Typical setting is *Government*
External URL	Optional link to open a new browser window displaying this site
External URL's text	Text label to display for the optional URL link
Meals Type Lodging Type	Typical Danish setting is *Fixed* for meals Lodging must be set to *None*
Display Wizard	Set based on client preferences
Wizard Prompt Text	Optional text for the display wizard prompt to the user, when Display Wizard is set to Prompt. This will be used in place of the standard Concur text.
Same Day	The Danish government specifies *Separate*; *None* is also allowed
Exchange Rate Day	Default is *Expense Day*; change if requested by the client
Over Limit Distribution Method	Default is *Prorate over all expenses*; change if requested by the client

Field	Country Specific Notes
Single Row Itinerary Check	Activates a system audit rule that prevents the submission of an itinerary with only one row
Use Overnight	**Must** be set to No (check box cleared); not supported for Danish rules
Use System Exception	Set based on client preferences
User Entry of Extended Trip	Typical setting is No (check box cleared) This option is not defined by the Danish government rules. This user-entered extended trip functionality can be used with the Denmark module if the appropriate records are added to the system calculation properties for the country.
Display Quick Itinerary Wizard	Set based on client preferences
Rate Options	
Combine Meals and Lodging Rates	**Must** be set to No (check box cleared); not supported for Danish rules
Display Base Meals Rate	Set based on client preferences
Display Base Meals Rate In Rate Currency	(Feature not yet available)
Display Company and Government Limit Comparison	Set based on client preferences
User Entry of Rate Location	Typical setting is No (check box cleared)
Meals Options	
Meals Deduction List	Typical setting is Not Used
Deduct for Provided Meals - Breakfast Deduct for Provided Meals - Lunch Deduct for Provided Meals - Dinner	Typical setting is Yes (check box selected) for all three
Default Breakfast to Provided	Typical setting is Yes (check box selected)
Default Lunch to Provided	Set based on client preferences
Default Dinner to Provided	Set based on client preferences
Itemize Fixed Meals	Typical setting is No (check box cleared)
Country-specific Options	
Use Border Cross Time	**Must** be set to No (check box cleared); not supported for Danish rules
Use Lodging Type	**Must** be set to No (check box cleared); not supported for Danish rules
Use Percent Rule	**Must** be set to No (check box cleared); not supported for Danish rules

Field	Country Specific Notes
Use Short Distance	***Must*** be set to No (check box cleared); not supported for Danish rules
Use Address List	Set based on client preferences
	To pay an allowance even when that allowance is considered a taxable benefit, set to Yes (check box selected); otherwise, to pay no allowance when that allowance would be deemed taxable, do not select (check box cleared) this option.
Use Trip Length List	***Must*** be set to No (check box cleared); not supported for Danish rules
User Entry of Breakfast Amount	***Must*** be set to No (check box cleared); not supported for Danish rules
User Entry of Meals Amount	***Must*** be set to No (check box cleared); not supported for Danish rules
User Entry of Within Municipality	***Must*** be set to No (check box cleared); not supported for Danish rules
Create itinerary rows based on air	Set based on client preferences

ConfigMapImporter (trx_type 600)

There are no special requirements for this country.

DeductPercentImporter (trx_type 700)

Two records are required – one where the domestic field is set to Y and a second where the domestic field is set to N. For both records, the following fields must be set as described:

- Incidentals_deduction_pct = 25
- breakfast_deduction_pct = 15
- lunch_deduction_pct = 30
- dinner_deduction_pct = 30

Note that the percents in this information represent the example data provided in the section *Provided Meals* and should always be verified against current Danish regulations.

DeductAmountImporter (trx_type 800)

Not used for Danish rules.

⚙