Expense: Travel Allowance Configuration Guide – Generic Standard

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Revision History

Date	Revision Notes/Comments
January 21, 2022	Updated the copyright year; no other changes; cover date not updated
February 5, 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.
October 27 2016	Updated the guide content to new corporate style; no content changes.
July 14 2016	Update to the Extended Trip calculation properties
February 19 2016	Added new option to support tracking of recurring visits to the same location in order to determine employee taxability
July 11 2014	The **Display Base Meals Rate In Rate Currency** option is now available
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 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
December 8 2008	These changes were made: ♦ Optional setting to use 24-hour definition of a day ♦ 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.***
April 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

This section describes the Generic Standard travel allowance model and the options it provides. The company determines if this model best matches its needs and then makes configuration choices to ensure it better matches the company's requirements.

The Generic Standard travel allowance system is based on a standard allowance for each day of the trip.

Allowance Location

The following are rules for determining the travel allowance location.

- The rate paid for the traveler's first day of travel (day of departure) is based on the traveler's location at *midnight*. This is generally, but not always, the destination location.

  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 (generally but not always where the traveler spent the previous night).

Definition of a Day of Travel

There are two different definitions for a day of travel commonly in use around the world. The system can be configured to use either. The default setting is calendar date.

- **Calendar date:** The travel allowance day is defined as the 24 hours of the calendar date.

- **24-hour period:** 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 their 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 their 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.

  NOTE: The **Same Day** setting cannot be *Cumulative* when the definition of a day is set to 24 hours; it must be either *Separate* or *None*.

Rates
Rates are determined based on customer needs (company rates or their specific country rates).

Lodging Allowance

Lodging allowances are based on whether or not the employee spent the night at accommodations other than the employee's home. The lodging allowance is defined for each location and the employee is either eligible for the whole allowance or no allowance for lodging – there are no partial lodging allowances.

The one exception to this is the *overnight allowance*. The overnight allowance is given to the employee instead of the lodging allowance. This is typically used when the employee stays with friends, in a caravan, or any other lodging arrangement other than traditional hotel accommodations.

Meals Allowance

The basis for Generic Standard 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.

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 travel allowance for the day may be reduced. The amount of the reduction is dependent upon the deduction amounts specified for each rate.

NOTE: 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.

Benefit-in-kind Meals

Meals, which are supplied by the company to employees are, in certain circumstances, considered to constitute a *benefit-in-kind* for tax purposes. For example:

- A meal supplied at a company canteen paid for by in-house currency or voucher;

- A meal supplied as part of a training course, seminar, or conference arranged and paid for by the company; or

- Any meal arranged in advance by the company and paid for by the company or a third-party on behalf of the company.

The employee must indicate when this type of meal has been provided.

A company can choose to handle benefit-in-kind meals in different ways but the amount must be accounted for in some way. The most common approach is to reduce the daily travel allowance by this amount, effectively charging a 100% tax on the amount. This 100% taxation approach is supported in the Concur Expense system.

Extended Trips

The allowance amount can be reduced by a percentage when the trip exceeds a specified number of days. For example, if the trip exceeds 30 days, the allowance starting on the 31st day could be reduced to 70% of the original amount.

Chapter 3: System Calculation Logic

Meals

The calculation is based on the date, rate location, travel allowance type, and provided meals. A meals allowance is calculated for each calendar date of the trip.

The method of calculation is defined in the system properties.

♦ **Calendar date method**: [use_24hour_day = N]
Each date of the trip is used as the expense date for that day.

♦ **24-hour period method**: [use_24hour_day = Y]
The date of the first hour of the day is used as the allowance date for the expenses.

The system starts with the base rate for the date and rate location. That amount is then adjusted according to the following conditions:

• **Extended stay:** If the day of the trip is equal to or over the defined limit [extended_trip_days] *or* if the user has selected the **Extended Stay** check box, the system multiplies the calculated rate by the extended day factor to determine the reduced calculated rate [extended_trip_govt_factor or extended_trip_company_factor].

• **Provided meals:**

♦ For each provided meal, the system subtracts the provided meal amount from the calculated rate.

♦ If breakfast is provided and the system is configured to allow the user to enter the breakfast amount, the entered amount is subtracted from the calculated rate.

• **Benefit-in-kind meals:** The system subtracts the configured benefit-in-kind meal amount from the calculated rate for each benefit-in-kind meal.

• **Overnight:** If the user has selected the check box in the **Overnight** column and lodging is *not using the fixed method*, the system adds the overnight amount to the calculated meals rate.

NOTE: 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.

Lodging

The calculation is based on the following information: date, rate location, travel allowance type, and overnight indicator. The trip is eligible for lodging for each day of the trip except the last day, when the employee is presumed to return home.

The system locates the applicable lodging rate for the rate location in the rate tables.

1. If the user has selected the check box in the **Overnight** column and:

    ♦ If lodging is a *fixed* allowance or *reimbursable* allowance, the system sets the lodging amount to the overnight amount.

    ♦ If lodging is **none** (not using travel allowance) and meals is a *fixed* allowance, the system adds the overnight amount to the meals amount and sets the reimbursable lodging limit 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.*** Changes must be made via a service request through Concur's technical support process.

The following properties are used for generic rules:

Name	Value	Description
extended_trip_days	30	Number of days in the trip at which the extended-trip reduction is made to the meals allowance
extended_trip_govt_factor	100	Percentage of the government allowance permitted for the extended-trip allowance All amounts above this reduced amount are recorded against the over-limit account code.
extended_trip_company_factor	100	Percentage of the company allowance reimbursed for the extended-trip allowance
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 must be set to GENERIC.

The rate_feed_time_bands field must be left blank for Generic Standard rules.

TimeBandRateImporter (trx_type 200)

Not used for GENERIC STANDARD rules

RateImporter (trx_type 300)

There are no special requirements for Generic Standard rules.

ExpiredRateImporter (trx_type 310)

There are no special requirements for Generic Standard rules.

RateLocationMapImporter (trx_type 400)

There are no special requirements for Generic Standard rules.

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

Field	Country Specific Notes
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 Yes (check box selected)
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	Set based on client preferences
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	Typical setting is *Cumulative* **NOTE:** If day is defined as 24 hours, this must be set to *Separate* or *None.*
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
Single Row Itinerary Check	Activates a system audit rule that prevents the submission of an itinerary with only one row
Use Overnight	Typical setting is No (check box cleared)
Use System Exception	Typical setting is Yes (check box selected)
User Entry of Extended Trip	Typical setting is No (check box cleared)
Display Quick Itinerary Wizard	Set based on client preferences
Rate Options	
Combine Meals and Lodging Rates	Set based on client preferences
Display Base Meals Rate	Set based on client preferences
Display Base Meals Rate In Rate Currency	Set based on client preferences Typically set to Yes when rates are stated in a different currency than the user's reimbursement currency
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

Field	Country Specific Notes
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	Set based on client preferences
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 generic rules
Use Lodging Type	***Must*** be set to No (check box cleared); not supported for generic rules
Use Percent Rule	***Must*** be set to No (check box cleared); not supported for generic rules
Use Short Distance	***Must*** be set to No (check box cleared); not supported for generic rules
Use Address List	Set based on client preferences To pay an allowance even when that allowance is consider 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 generic rules
User Entry of Breakfast Amount	***Must*** be set to No (check box cleared); not supported for generic rules
User Entry of Meals Amount	***Must*** be set to No (check box cleared); not supported for generic rules
User Entry of Within Municipality	***Must*** be set to No (check box cleared); not supported for generic rules
Create itinerary rows based on air	Set based on client preferences

ConfigMapImporter (trx_type 600)

There are no special requirements for Generic Standard rules.

DeductPercentImporter (trx_type 700)

There are no special requirements for Generic Standard rules.

DeductAmountImporter (trx_type 800)

There are no special requirements for Generic Standard rules.

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