

# **Expense: Travel Allowance Configuration Guide – Italy**

**Last updated: May 29, 2019**

## 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 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.   |
| February 19 2016                            | Added new option to support tracking of recurring visits to the same location in order to determine employee taxability  |
| 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 the External URL and External URL's Text fields to the TA Configuration page   |
| December 14 2009                            | Changed the name of the <i>Travel Allowance</i> chapter to the <i>Expense: Travel Allowance Setup Guide</i>  |
| 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 <b>Display Quick Itinerary Wizard</b> option on the <b>Edit Travel Allowance Configuration</b> page in Expense Configuration Administrator   |
| December 24 2008                            | The options on the <b>Edit Travel Allowance Configuration</b> page in Expense Configuration Administrator were rearranged into a more logical order. The options in <i>Configuration Options</i> in this guide were rearranged to match.<br>Functionality has not changed. |
| October 17 2008                             | Initial publication for Concur Travel & Expense  |

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# Chapter 1: General Information

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**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

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This section describes the Italian 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 Italian travel allowance system is based on a standard allowance for each day of the trip.

Allowances paid for travel outside of the employee's local municipal area are tax free up to the limits published by the government. Any allowance amount above these limits or any allowance paid for travel within the municipal area are considered taxable income for the employee.

### 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.

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

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

### Rates

The Italian government publishes the meals and lodging allowance amounts on an annual basis.

### 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.

### Meals Allowance

The basis for Italian 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.

## Multiple Trips on the Same Date

The Italian government does not define how the allowance should be calculated when two or more trips occur on the same date. The recommended choice is to use *cumulative* rules.

With the recommended cumulative setting:

- A single allowance will be given for the trip with the longest duration for that date.
- If there are two single-day trips on the same date, one of the trips must exceed 10 hours or neither will receive an allowance.

With the separate setting, each trip will be evaluated independently and will likely result in each receiving an allowance for the date.

## Within Municipality

If the client elects to pay allowances for travel within the employee's local municipal area, these allowances should be considered taxable to the employee. In this case, the travel allowance configuration should be set to display a column titled **Within Municipality** on the **Expenses & Adjustments** page. The user selects this check box for any day where the travel is local and thus taxable, and the resulting calculation sets the entire expense amount to the Over Limit account code.

## 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.

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**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.

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## Partial Days

An optional setting allows the configuration of the minimum hours of travel required for a day to earn an allowance. This is controlled by the property `meals_minimum_day_hours`.

## Chapter 3: System Calculation Logic

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

- **Provided Meals:** For each provided meal, the system subtracts the provided meal amount from the calculated rate.
- **Partial Day:** If the number of hours of travel for the day is less than the minimum required [meals\_minimum\_day\_hours], the meals allowance is set to zero.
- **Overnight:** If the traveler selects the check box in the **Overnight** column and lodging is **not using travel allowance**, the system adds the overnight amount to the calculated meals rate.

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**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.

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### 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 traveler selects 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

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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 timeband rules:

| Name                    | Value | Description   |
|-------------------------|-------|---|
| meals_minimum_day_hours | 0     | Minimum number of hours travel required for a day to receive a meals allowance<br>The default setting of zero allows any number of hours to be eligible for an allowance. |

## Chapter 5: Configuration Options

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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 ITALIAN.

The *rate\_feed\_time\_bands* field must be left blank for ITALIAN rules.

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

### ***TimeBandRateImporter (trx\_type 200)***

Not used for ITALIAN rules

### ***RateImporter (trx\_type 300)***

There are no special requirements for this country.

### ***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   |
|------------------------------------|--|
| <b>General Options</b>             |  |
| Configuration Name                 | Client preference  |
| Configuration Code                 | Client preference  |
| Calculation Method Code            | As described in the <i>SettingsImporter (trx_type 100)</i> section of this guide   |
| Rate Feed Code                     | Set based on client preferences  |
| Government and Company Rates Types | Typical setting is <i>Government</i>   |
| 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<br>Lodging Type         | Set based on client preferences<br>Typical settings for Italy is <i>Reimbursable (Limit)</i> for both meals and lodging                                |
| Display Wizard                     | Set based on client preferences<br>Typical setting for Italy is <i>Prompt</i>  |
| 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 <i>Cumulative</i>   |
| Exchange Rate Day                  | Default is <i>Expense Day</i> ; change if requested by the client  |
| Over Limit Distribution Method     | Default is <i>Prorate over all expenses</i> ; 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 (checkbox cleared)   |

| Field  | Country Specific Notes  |
|--|---|
| Use System Exception   | Typical setting is Yes (check box selected)   |
| User Entry of Extended Trip  | Typical setting is No (check box cleared)<br>This user-entered extended trip functionality can be used with ITALIAN module if the appropriate records are added to the system calculation properties for the country. |
| Display Quick Itinerary Wizard   | Set based on client preferences   |
| <b>Rate Options</b>  |   |
| Combine Meals and Lodging Rates  | Set based on client preferences<br>Typical setting for Italy is No (check box cleared)  |
| 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<br>Typical setting is No (check box cleared)  |
| User Entry of Rate Location  | Typical setting is No (check box cleared)   |
| <b>Meals Options</b>   |   |
| Meals Deduction List   | Typical setting is Not Used   |
| Deduct for Provided Meals - Breakfast<br>Deduct for Provided Meals - Lunch<br>Deduct for Provided Meals - Dinner | Typical setting is No (check box cleared)   |
| Default Breakfast to Provided  | Set based on client preferences<br>Typical Italian setting is No (check box cleared)  |
| 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)   |
| <b>Country-specific Options</b>  |   |
| Use Border Cross Time  | <b>Must</b> be set to No (check box cleared);<br>not supported for Italian rules  |
| Use Lodging Type   | <b>Must</b> be set to No (check box cleared);<br>not supported for Italian rules  |
| Use Percent Rule   | <b>Must</b> be set to No (check box cleared);<br>not supported for Italian rules  |
| Use Short Distance   | <b>Must</b> be set to No (check box cleared);<br>not supported for Italian rules  |

| Field                              | Country Specific Notes   |
|------------------------------------|--|
| Use Address List                   | Set based on client preferences<br>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               | <b>Must</b> be set to No (check box cleared); not supported for Italian rules  |
| User Entry of Breakfast Amount     | <b>Must</b> be set to No (check box cleared); not supported for Italian rules  |
| User Entry of Meals Amount         | <b>Must</b> be set to No (check box cleared); not supported for Italian rules  |
| User Entry of Within Municipality  | Typical setting is Yes (check box selected)  |
| 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)***

There are no special requirements for this country.

### ***DeductAmountImporter (trx\_type 800)***

There are no special requirements for this country.

