11.09 NON-TRAVEL MEALS

This policy provides guidelines to departments concerning when non-travel meals, refreshments and related expenses may be paid for from County funds.

Generally, meals provided to employees are considered taxable wages that must be reported on form W-2, subject to Federal income tax withholding, social security and Medicare unless specifically excluded by a section of the Internal Revenue Code (IRC), IRC §61. § 3121, § 3401.

Federal Tax Regulations § 31.3121(a)-1(h) and § 31-3121(a)-3 provide that amounts paid specifically-either as advances or reimbursements-for traveling or other bona fide ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer are not wages and are not subject to withholding if paid under an accountable plan.

A plan under which an employee is reimbursed for expenses – or receives an allowance to cover those expenses – is an accountable plan only if three conditions are satisfied: (1) there must be a business connection for the expenses: (2) the employee must either substantiate or be deemed to have substantiated the expenses; and (3) the employee must return to the employer amounts in excess of the substantiated expense. IRC § 62(c); Reg §1.62-2©; Reg§1.274-5T.

Adequate accounting per IRS publication 5137 states, “The employee must verify the date, time, place, amount and business purpose of expenses. Receipts are required unless the reimbursement is made using per diem rates (per diem rates are only available for certain expenses). Treas. Reg. 1.62-2(e), IRC Section 274(d) and Revenue Procedure (Rev. Proc.) 2011-47”

Government Code §611.001 Employees may be reimbursed with public funds for meal expenses only to the extent the expenses are reasonable and necessary.

The Burnet County Commissioners’ Court authorizes reimbursement for non-travel expenditures of food or refreshments as allowed by law for the following:

- Jurors (Code of Criminal Procedure Art. 104.001)
- Prisoners (Code of Criminal Procedure Art. 104.002)
- AgriLife Extension (Agriculture code §43.033)
- Annual County-wide events approved by the Commissioner’s Court such as: the HHW event and the annual county-wide employee appreciation banquet.
- Beverages for the purpose of providing hydration (sports drinks containing electrolytes) for employees performing job tasks outdoors where they are exposed to hot or humid weather conditions. Such as employees performing road work or outdoor maintenance work.

Reimbursement for all other non-travel meals paid for with county funds must be approved by the Commissioners’ Court. County credit cards may not be used for meal expenditures not listed in this policy without prior approval from the Commissions’ Court.