


**TO:** Agency Heads and Deputy Secretaries of Administration

**FROM:** Anna Maria Kiehl   
Chief Accounting Officer  
Office of the Budget, Comptroller Operations

**DATE:** May 26, 2015

**RE:** Business Event Expenses

Since the Governor's Code of Conduct was amended on January 20, 2015 by Executive Order 2015-01 [Executive Branch Employee Gift Ban], questions have arisen regarding the ability of agencies to pay in advance for food and beverage (meal) expenses *or* reimburse employees for out-of-pocket meal expenses that were required to be paid in order to attend a business event. These would be situations in which an employee is directed by the head of an agency to attend an event that is sponsored by an entity that is covered by Executive Order 2015-01 and is unable to accept the meal(s) at no charge as it would be considered a 'gift'. As a consequence, the agency must either incur the expense by paying the entity directly or the employee must incur the expense in order to participate in the event. Examples of types of business events could be a conference, training, banquet, symposium, ceremony, operation, exercise, or similar function in which a meal is required to be paid for but the expense does not qualify for payment or reimbursement under existing policies.

This is to clarify that employees on official commonwealth business attending a meeting or other event at the direction of the head of the agency may have their meal expenses either paid to the entity in advance or the expenses could be reimbursed directly to the employee for their required out-of-pocket expenses. Any direct payment to an entity or reimbursement to an employee must have complete justification for expenses, including written approval of an agency head or his/her designee. Employee expense reimbursement requests must also be supported with itemized receipts.

In response to this clarification, procedures and a form have been created to facilitate procedures/guidelines employed by the Office of the Budget, Comptroller Operations:

- Attachment 1: Procedure - Employees Submitting for Reimbursement
- Attachment 2: Procedure - Payment to an Entity in Advance
- Attachment 3: Form STD-194 - Business Event Expense Approval

Thank you for your attention to this matter and communicating this information to your agency personnel. Please continue to work with your agency chief counsel and human resource offices with questions regarding the Gift Ban. The Code of Conduct, Executive Order 2015-01, and FAQ document can be found on the Office of Administration [website](#) by clicking on the Gift Ban tab.

If you have any questions on the submission of expenses for reimbursement, please contact the Bureau of Commonwealth Payroll Operations Travel Audits at [co-travelaudits@pa.gov](mailto:co-travelaudits@pa.gov). If you have questions on paying business expenses in advance of the event, please contact the Bureau of Payable Services at [RA-PS\\_NonPO\\_Invoice@pa.gov](mailto:RA-PS_NonPO_Invoice@pa.gov).



Attachments

cc: James Honchar, Deputy Secretary, Human Resources & Management, Office of Administration  
Colby Smith, IES Director, Office of Administration  
Comptroller Operations Bureau Directors (6)  
Travel Super User Group (TSUG)

## Attachment 1

**Employees Submitting for Reimbursement** - Two new expense types have been created within the ESS/SAP Travel Expense Report (TER). Expense claims will be considered for business events that have occurred retroactive to January 20, 2015; the effective date of Executive Order 2015-01.

- **Business Event Expense-Meal:** This expense type may be used to request reimbursement of a meal expense that is incurred during a business event that is a direct result of an employee's compliance with the Executive Order 2015-01. Commonwealth employees may receive reimbursement of the actual meal expenses incurred in the performance of their official duties at the direction of the agency head or designated deputy secretary. Appropriate approval and justification of the expense as a business requirement must be on form STD-194 [Attachment 3] which must be attached to the TER along with an itemized receipt. There is no reimbursement for alcoholic beverages.

If a business event expense occurs in conjunction with overnight travel, the actual meal expense can be claimed; however, in accordance with Section 4.2 of M230.1, Commonwealth Travel Procedures Manual, the applicable percent (22% for breakfast, 22% for lunch, and 56% for dinner) must be subtracted from the maximum allowance for an Overnight Subsistence expense claim.

Example: On an overnight business trip, the maximum allowance for an employee's trip destination is \$51 per 24-hour period. An entity sponsoring a business event provides a dinner which, due to the Gift Ban, requires the Commonwealth employee to pay \$40 for the fair market value for a dinner meal. The remaining allowance for the Overnight Subsistence is \$22.44 for the applicable 24-hour period [ $\$51 - (\$51 * 56\%)$ ].

- **Business Event Expense-Other:** This expense type may be used to request reimbursement for an expense to the employee that is not a meal but was required in order to attend the business event. Commonwealth employees may receive reimbursement of the actual expense incurred in the performance of their official duties at the direction of the agency head or designated deputy secretary. Appropriate approval and justification of the expense as a business requirement must be on form STD-194 [Attachment 3] which must be attached to the TER with an itemized receipt.

Example: An employee incurs an expense for admission to carry out their job duties at the business event. Note: This does not include a registration fee that was known and can be paid in advance.

Two new general ledger account codes have been created within SAP for business event expenses:

- **6311021 Travel – Business Event Expense – Meals** – this general ledger account will be charged if the Business Event Expense-Meal expense type is selected.
- **6311998 Travel – Business Event Expense – Other** - this general ledger account will be charged if the Business Event Expense-Other expense type is selected.

The new expense types and general ledger codes will be made available in existing reports within the SAP Business Warehouse (also known as Business Intelligence) so that agencies may track costs related to these expenses.

## Attachment 2

**Payment to the Entity in Advance** – To make payment directly to the entity in advance of the business event, an invoice may be processed through the standard Non-PO invoice process.

In advance of the business event, a vendor invoice may be submitted through the standard Agency-Generated Non-PO Invoice processing procedures to directly pay the entity with no employee out of pocket expenses. These invoices are entered by agency staff that is role mapped in SAP as Agency Non-PO Invoice Receivers. Agency staff is responsible for entering the invoice into SAP through the ESS portal providing the appropriate general ledger account and attaching supporting documentation (vendor invoice and the approved STD-194 form). After the invoice is posted, the transaction along with the supporting documentation is routed electronically via workflow to the appropriate Comptroller Non-PO Invoice Processing Unit for review and approval for payment.

Payment of vendor invoices through Treasury in 30 days is the standard payment process. Supporting documentation must include the required payment date. For instances where payment terms need to be reduced from the normal net 30 days to pay in advance of the business event, please email the Comptroller Office at [RA-PSNonPOExpedite@pa.gov](mailto:RA-PSNonPOExpedite@pa.gov) with the SAP Document number, requested pay date and appropriate justification. Invoices that cannot be paid through Treasury due to very restrictive payment terms may be paid via agency-generated advancement account check. Justification for using the Advancement Account or special handling requests must be included in the comments area when processing the invoice.

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