

STATE OF CALIFORNIA

KATHLEEN CONNELL,
CONTROLLER OF CALIFORNIA

OFFICE OF STATE CONTROLLER
PERSONNEL/PAYROLL SERVICES DIVISION
300-Capitol Mall
P.O. Box 942850
Sacramento, CA 94250-5878

Date: May 11, 1999

PAYROLL LETTER # 99-012

To: All Agencies/Campuses in the Uniform State Payroll System

From: Ralph Zentner, Chief
Personnel/Payroll Operations Bureau

Re: MEAL REIMBURSEMENTS FOR TRAVEL LESS THAN 24 HOURS

This Payroll Letter provides a status update regarding the January 1, 1999 implementation of taxable meal reimbursements for travel less than 24 hours without overnight lodging as outlined in Payroll Letter #98-038.

IMPLEMENTATION

The initial reporting of taxable meals for "day" trips was lower than anticipated. Based on January through March 31, 1999 reporting, approximately 50% of Civil Service and California State University entities reported taxable meal reimbursements. Since these meals are routinely provided employees, most agencies and campuses are projected to report this benefit during the year. Please review your business practices and insure that proper and timely reporting occur.

SERVICE PROVIDERS

Based on reporting trends for day trip meals, information sharing between contracting entities appears insufficient. Many small agencies, boards and commissions contract out various services (such as payroll and accounting) with service providers. These entities indicated minimal awareness of Payroll Letter #98-038 and the requirement to report these payments, effective January 1, 1999.

PAYROLL LETTER ACCESS VIA OFFICEVISION

We encourage all employers, including those contracting for services, to subscribe to Officevision wherein FB/EBE information is readily accessible. We also encourage employers and service providers to routinely review FB/EBE reporting requirements. These requirements are summarized in Payroll Procedures Manual Section I-120 through I-165. Many small agencies, boards and commissions routinely experience turnover. Turnover can create informational gaps which produce inadvertent non-compliance.

CONTACTS

Please use the following contacts for requesting assistance:

Officevision Subscription

Kathy Bosnich
Training Services

(916) 324-7296
CALNET 454-7296

FB/EBE Reporting Requirements
Jim Fiack
Tax Support

(916) 322-8128
CALNET 492-8128

RZ:JF/TSS