



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 12 – Travel 1.41	EFFECTIVE DATE: 01/01/1996
TITLE: Coding of Non-Overnight Meals, Moving Reimbursements, IRS Reporting and Withholding of Taxes	REVISION DATE: 09/05/2020
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BACKGROUND

As an employer, each agency of the state of Wisconsin is responsible for reporting certain taxable information to the Internal Revenue Service (IRS) in addition to the employee's regular salary. This information, on W-2s, must be sent to the person and transmitted to the IRS by January 31st of each year. The IRS requires that W-2s be issued for reimbursement of non-overnight meals and moving reimbursements. In addition, the IRS requires withholding of taxes on some of these reimbursements.

Based on the IRS tax ruling, the state of Wisconsin, effective January 1, 1996, started withholding taxes on reimbursement of taxable travel expenses. These expenses include non-overnight meals and certain moving expenses. It is the policy of Department of Administration (DOA) that **all** employee reimbursements of these expenses, taxable and nontaxable, will be paid through the payroll system.

POLICY

State Employee Travel Reimbursement Requests are processed in STAR and are used to record non-overnight expenses. Employee travel reimbursements must be documented in STAR. The payment process for travel is the same for employees who receive a physical check and those paid by electronic deposit. Requests that are approved in STAR by Tuesday of the non-payroll week will be paid on the following payroll cycle.

Currently, the IRS rate for mileage reimbursement is more than the maximum allowable by the state. Therefore, the miles driven and the amount reimbursed for miles driven are not reported to the IRS.

All employee travel reimbursements (taxable and non-taxable) must be paid through the payroll system. Reimbursement expenses subject to withholding are:

1. all non-overnight meals reimbursed to the employee; and
2. certain moving expense reimbursements paid to or on behalf of the employee:
 - Moving stipend;
 - Moving mileage reimbursable in excess of the IRS rate (example - IRS rate was \$0.23 in 2012);
 - Temporary lodging.

Procedures for non-employee travel reimbursement are unchanged because those payments are not subject to withholding. Non-employees are to continue using the Non-State Employee Expense Reimbursement form, F-80190. Non-employee costs should be coded to account 7345000 unless otherwise specified by BFS.

PROCEDURES

Employees must submit an Expense Report in STAR to be reimbursed for Travel and Expense for Business. The account codes for STAR are now “locked” down. Account codes will auto populate in the Expense Report based on the Expense Type. See the STAR Job Aid for Creating and Modifying an Expense Report for complete procedures.

1. Non-Overnight Meals - When coding the travel reimbursement request, these expenses need to be separated from those where there is an overnight stay. Selecting the Expense Type for non-overnight meals will auto-populate the correct account code in STAR.
2. Moving Expense Reimbursements –Division administrators have the delegated authority to approve reimbursement of moving expenses. When an employee is eligible for moving reimbursement and if approved by the administrator, the following must be reimbursed through STAR:
 - Moving stipend;
 - Mileage to drive one vehicle one way;
 - Direct moving expense paid to the mover by the employee;
 - Temporary lodging (if applicable).

Moving Expense Reimbursements subject to IRS withholding are: (1) the moving stipend; (2) mileage reimbursable in excess of the IRS allowable rate; and (3) temporary lodging.

The moving expenses paid directly to a moving company will be reported to the IRS by DOA via a federal W-2 form.

FORMS

Travel Reimbursement Request – Non-state Employees, [F-80190](#)

REFERENCES

[WAM Section 6, Sub-section 9](#) – Employee Taxable Fringe Benefits

STAR Job Aid – [Creating and Modifying an Expense Report](#)

CONTACTS

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