

**ADMINISTRATIVE REGULATION
EMPLOYER PAID MEAL**

Number: AR 2007-23

Eff. Date: 08/27/07

Supersedes: _____

Date: _____

City Manager's Approval: _____

SECTION 1. PURPOSE AND POLICY

The City has established an Employer Paid Meal policy. This policy is for City Employees and allows for the occasional meal to be paid by the City of Aztec.

SECTION 2. DFA WHITEPAPER/IRS RULES

Cost of meals should be de minimis in nature as specified in the DFA White Paper and IRS rules as stated below.

De minimis meals are meals that have little value, taking into account how frequently an agency provides them to an employee. Examples include the following: 1) coffee, doughnuts, or soft drinks served at a formal training seminar; 2) meals provided by a vendor and included as part of a registration fee for a seminar, forum, conference, etc., or 3) an occasional meal provided to an employee, at the employee's work place – for the convenience of the agency – to enable the employee to work overtime.

If an agency is providing meals more than four times a fiscal year to an employee, it may be frequent enough that the meals would not qualify as de minimis.

SECTION 3. OTHER TYPES OF MEALS

There are limited circumstances under which an agency may purchase a meal for an employee. First, a meal may be provided to an employee who is traveling under the provisions of the Per Diem and Mileage Act. (Refer to Section 5)

Second, a meal may be provided to an employee when there are not sufficient eating facilities near the work site, provided that the meal is for the convenience of the agency and is provided during working hours. Example; meal provided to an employee who is responding to a disaster or emergency and cannot leave his/her post of duty.

Third, a "business" meal, but only when entertainment expenses are specifically authorized by the Legislature. Example; a meal for an economic development, employee using his/her attendance at a luncheon as an opportunity to promote New Mexico as a business location.

Meals with a business meeting are NOT taxable if it is a clear business setting and directly related to the City of Aztec. Examples; economic development opportunity, legislative concern or request,

An agency should not purchase employees meals as a means of promoting goodwill or boosting employee morale. This also applies to de minimis meals.

Meals can be provided at the convenience of the employer. (Convenience defined as – so not to disrupt job or work flow.)

Meals with a business meeting are NOT taxable if it is a clear business setting, directly related to the City of Aztec and approved by Department Head and/or City Manager.

Directly-Related Test- Meal Reimbursements meet the directly-related test and may be excludable from wages if:

1. The main purpose of the combined business and meal is the active conduct of business,
2. Business is actually conducted during the meal period, and
3. There is more than a general expectation of deriving income or some other specific business benefit at some future time.

SECTION 4. PROCEDURES

All requests for reimbursements must be justified. All employees are to clearly document (who, what, when, why) and define on the SPO justification for reimbursement. Any questionable requests for reimbursements will be addressed by the Finance Department.

SECTION 5. OUT OF TOWN

All out of town meetings (must be at least 35 miles from work site), conferences, events will continue to be governed by the per diem regulations currently in use. Any exception must be pre-approved by City Manager or designee.

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(Date of Receipt)

I _____ am in receipt of the Administrative Regulation entitled Employer Paid Meal and understand that I am required to read and become familiar with this regulation. If I have questions or need further clarification I will contact my Supervisor/Department Head, City Manager or the Human Resources Department.

Employee Signature

Date

For Human Resources Use Only

Date Received: _____

HR Representative: _____