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Mark A. Kaiser
Director

MEMORANDUM

TO: Agency HR and Fiscal Offices

FROM: Division of Accounting

DATE: December 29, 2010

RE: Processing Taxable Meals as Imputed Wages

OA has developed an automated interface that will load taxable meal information from SAMII Financial into SAMII HR. The interface includes SAMII Financial payment documents made to SE (state employee) vendor numbers that use the Object Codes 2110—In State Meals without Overnight Lodging and 2125—Out of State Meals without Overnight Lodging. Agencies should ensure payment documents utilize the proper vendor number for the state employee. Because of the potential lag in withholding, it is important that Expense Report payments be timely processed, especially on terminating employees, to ensure proper withholding.

These interfaces will load into SAMII HR via the nightly cycle, two working days prior to the Preliminary Paycycle date as published on http://oa.mo.gov/mo/samii/hr/process_schedule.html. While there is no action required by the agencies from the interface, it is strongly recommended for agencies to review MOBIUS report OFN405R1 (SE Vendor Taxable Meal Compensation Report) for accurate taxable reporting. The report is a recap of the imputed wage transactions that are loading into SAMII HR. While it is expected for the PVQ approval process to prevent errors prior to being put in ACCPT status, agencies may note errors from this report in their review. Should a correction be necessary, the agency should contact Libbie Farrell, Central Payroll Manager at 573-522-5863 for immediate action.

Any payment made using these object codes to anyone other than an SE vendor will be reported on a separate report, OFN405R2 (Non-SE Vendor Taxable Meal Compensation Report). These payments will not be interfaced into SAMII HR. It is the agency responsibility to review this report and enter applicable employee imputed wages manually as 1DEds.

Security requests noting agency specific information for each report should be submitted through normal channels.

It is important to note with the transition to the new policy issued December 14, 2010, (<http://oa.mo.gov/mo/samii/fin/bulletins/121410travelmeals.pdf>) that the travel rates are based upon the rates in effect on the date of travel. However taxability is based upon the date paid. If a December 2010 expense account is paid in January 2011, the "12 hour" taxable meal rule will apply. Questions regarding the new travel policy should be directed to Mark A. Kaiser at 573-751-4013 or Mark.A.Kaiser@oa.mo.gov.