

Meal Expense Receipts Documentation Rules

Occasionally we find that running our schools necessitates expenses for meals and entertainment. Meals -while away from the District- are easy to understand, such as when we are out of town for continuing education. However, meals purchased locally are not always deductible according to the IRS. The IRS requires documentation in order to substantiate that the expense has a **legitimate business purpose**. Without correct substantiation, the IRS may completely disallow the expense.

The IRS requires that each expense involving meals be accompanied by the following documentation in order to meet the substantiation requirements.

1. The **amount** of expense,
2. The **time and place** of the expense,
3. The **business purpose** of the expense, (planning meeting, school startup, etc.)
4. The **business relationship to the taxpayer** of the individuals being fed or entertained. (building secretaries, football coaches, etc.)

The last two items on this list are the ones that will not be printed on your receipt, and thus, should be documented by a note on the receipt or on a separate piece of paper with the receipt attached to it.

Please be aware that the IRS and state revenue agents, as well as our auditors, are being very aggressive during annual audits and are strictly enforcing these substantiation requirements.

In order for the District to properly reimburse or pay this expense for you, please attach your receipts to a blank piece of paper, then note on the paper any additional information of those listed above that might not be printed on the receipt. Usually you only need to add the business reason for the meal and who was there (3 & 4).

Examples might be: “Curriculum adoption meeting: 4 department heads”

or

“Planning retreat: 6 science teachers”

For those using “purchase cards” these notations can be made online by the secretary when the expenses are coded by filling in the drop down box. However, she will need your notations on the receipt or separate note to know what to enter there.

Thanks for your help on this process, “The Business Office”