

Lafayette College
Meal Reimbursement FAQs

FAQ: Meals, Lunches, and Tax Treatment under the Expense Reimbursement Policy

This FAQ helps clarify when meal expenses are reimbursable, how tax rules apply, and what constitutes a reasonable cost for business meals in and around the Easton area.

1. Are meals reimbursable when I am not traveling overnight?

Generally, **no** — unless the meal serves a clear business purpose.

When an employee is **not in “travel status”** (less than 30 miles from both home and their assigned work location), meal reimbursements are considered **taxable income** under IRS rules, even if related to College business.
(See *Section 13 of the Expense Reimbursement Policy*.)

2. Why would a local meal reimbursement be taxable?

Under IRS regulations, meals are considered personal unless they occur **while traveling overnight** or are **provided for the College’s convenience** (e.g., working lunches or donor events).

If a local meal reimbursement is approved, the value will appear in the employee’s taxable wages on Form W-2.

3. What if the College provides lunch during an on-campus event, training, or presentation?

That depends on the purpose of the event:

<u>Situation</u>	<u>Tax Treatment</u>	<u>Explanation</u>
Required training, meeting, or working session where lunch is provided to allow business to continue without interruption	Non-taxable	The meal serves the College’s business needs.

<u>Situation</u>	<u>Tax Treatment</u>	<u>Explanation</u>
Donor, board, or external partner event where meals are provided to facilitate the meeting	Non-taxable	Treated as a business expense for institutional purposes.
Casual or social lunch without a specific business purpose	Taxable or non-reimbursable	Personal or social in nature and not a qualifying business expense.
Light refreshments (coffee, cookies, snacks) at infrequent departmental gatherings	Non-taxable	De minimis fringe benefit, allowed under Section 21(B)(v).

4. What about meals during on-campus retreats or staff meetings?

Departments may hold **one staff retreat per year**, funded by their annual operating budget, as noted in Section 21(B)(iv). Reasonable meal costs during that retreat are allowed.

Other staff meals are generally not reimbursable unless a clear business necessity exists (e.g., a strategic planning session with no reasonable alternative time).

5. What is considered a “reasonable” meal expense in the Easton area?

The College expects meal costs to be **reasonable and not lavish or extravagant** in relation to local norms and the nature of the business purpose.

As a general guideline for Easton and the surrounding Lehigh Valley area:

- **Breakfast:** typically, up to \$20 per person (including tax and tip)
- **Lunch:** typically, up to \$30 per person
- **Dinner:** typically, up to \$60 per person

These amounts are intended as benchmarks — not entitlements. Departments should always use sound judgment and choose venues appropriate to the occasion and attendees.

Higher costs may be justified when hosting external guests (e.g., donors, trustees, or visiting speakers), but must still reflect moderation and align with College standards for stewardship of funds.

6. Can the College pay for meals directly instead of reimbursing individuals?

Yes. When the College **pays a catering vendor directly** for group meals provided as part of an approved business event, it is **not taxable** to participants because the meal is considered a business expense of the College.

Departments must ensure compliance with the **Food & Beverage Service Policy** and alcohol restrictions.

7. What about alcohol served at a meal or event?

Alcohol may not be reimbursed or purchased when in the company of students, or at “BYOB” events.

If alcohol is provided at an authorized function (e.g., donor dinner), it must be served by Lafayette Dining Services or a certified bartender, per the **Alcohol Service Policy** (Sections 15 and 21(B)(viii)).

8. Who can I contact with questions?

For guidance on **meal reimbursements or tax treatment**, contact the **Controller’s Office**.

For questions on event catering, contact **Dining Services** or **Purchasing**.