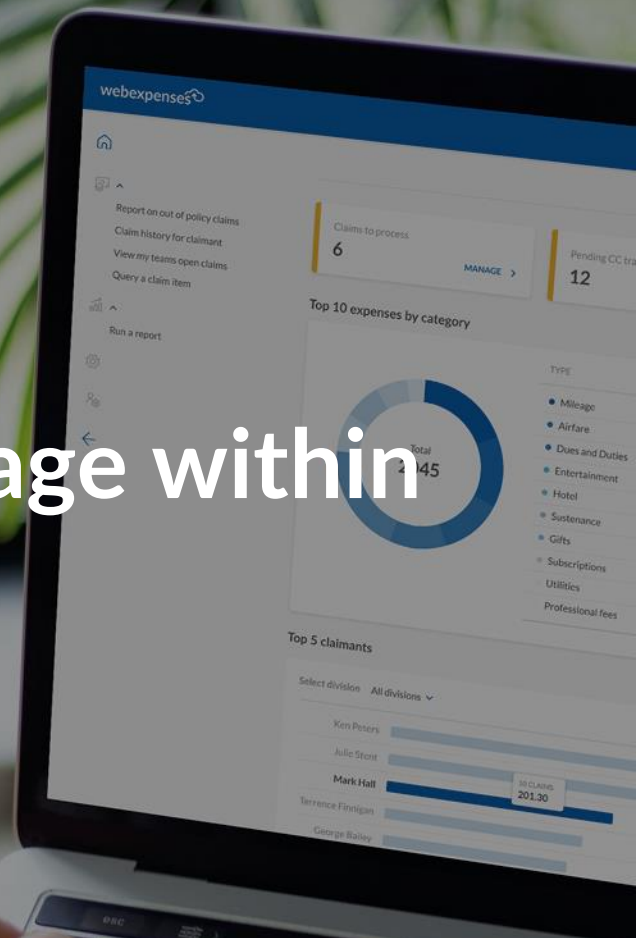


webexpenses 

# Per Diems – A guide to their Usage within Webexpenses

User Guide



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# Introduction

Per Diems are used by many businesses as a method of reimbursing their employees, alongside traditional methods of claiming expenses or in some cases as an alternative to a traditional expense.

The purpose of this document is to outline the different methods of how Per Diems are used and how they correlate to the Per Diem versions that are provided in the Webexpenses system.

This document is not intended to be a user guide on how to use and set up Per Diems in the system.

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## What are Per Diems?

Per diem is a Latin word that means **per day** or **for each day**. In relation to business expenses, a Per diem is a daily allowance that is paid to employees for accommodation, meals, tips, taxi, and other incidental expenses such as dry cleaning, laundry, phone use, Wi-Fi charges, when an employee travels for business.

It is the fixed amount of money that each employee can claim per day on a business trip, attending work-related educational events and conferences, and when traveling away from their main office for business.

This can include working at a location for the same company that is different from the location where the employee usually works.

An employer will normally set Per Diem rates depending on location, length of trip and any rate guidelines given by the local government/tax office.

Companies that use a per diem rate save employees the time that they would otherwise invest in keeping track of expenses, saving receipts, and filling out expense reports upon return from business travel.

Employees are allowed to keep the money that they don't spend while travelling which can encourage thrift and no overspending.

The employer benefits because it doesn't have to invest staff time in reviewing expenses, vetting amounts of money spent, and the employee time that is invested at work in doing all of the reporting. The employer has essentially budgeted the amount of money it is willing to spend on employee travel and the employees were notified before they made purchases.

The per diem process can result in substantial savings over the employer paying actual employee expenses. It works well when the employer has done its homework, so the employee's expenses are sufficiently covered.

## How does Webexpenses cater for Per Diems?

The Webexpenses application caters for 3 types of Per diem. This ranges from a simple allowance for a category type, to a more complex arrangement which was put in place to cater for the German market.

## Brief overview of how to set up Per Diems for use

1. In the Company profile, the Administrator can choose Per Diem Version 1,2 or 3 on the Per Diem tab.
2. They would then set up the Per Diem rates in the Administration Menu Per Diem rate tab
3. and finally set up a category as a Per Diem category in the Category Tab

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The Per Diem category is flexible enough to allow it to be set up as a Travel category in addition to Per Diems (and therefore the From and To boxes will be present) but not the Mileage category. In effect this allows a Per Diem to also be used as an alternative travel category allowing the company to record a pence per travel unit.

## Per Diem Version 1

Per Diem **Version 1** is the simplest type of **Per Diem** and is the default option for all companies.

The Administrator can set up the rate description and default currency e.g. Lunch Allowance UK £5, Lunch Allowance non UK 8 €. When a claimant selects the Per Diem category, they will be able to add the number of **Per Diem Units** and choose the applicable **Per Diem rate**.

The example shows UK Subsistence allowance £10 per instance.



The default currency is picked up:

 A screenshot of the "Add Claim Item" form. At the top right are buttons for "Cancel", "Add Receipts", and "Save". The form fields include:
 

- Category: Subsistence (dropdown)
- Date: 15-05-2024 (calendar icon)
- Description: Subsistence (text box)
- Receipt: YES (checkbox), with a red warning icon and text "Receipt not attached"
- Country: United Kingdom (dropdown)
- Tax: Rate (selected radio button) 0.0000% (0) (dropdown), Amount (0.00) (text box)
- Per Diem Units: 2.00 (text box), with a dropdown showing "(10.0000) Sub..."
- Amount: 20.00 (text box)

## Per Diem Version 2

Per Diem **Version 2** is also a simple category with the addition of being able to add a **country**. Whereas Per Diem Version 1 defaults to the base country of the company, Version 2 allows the company to set Per Diems for specific countries.

The administrator can now set up a specific rate, e.g. Subsistence based on the **country** the claimant was in at the time of claiming.

When the claimant selects the **Per Diem category**, they are now also asked for the **Country** visited and only the rates set up for that country will be available.

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The screenshot shows a web form titled "Edit Claim Item : 3". At the top right, there are buttons for "Cancel", "Add Receipts", and "Save". The form fields are as follows:

- Category:** Subsistence
- Date:** 15-05-2024
- Country Visited:** Spain - Barcelona
- Per Diem Units:** 2.00 (with a sub-unit of (15.0000) Su...)
- Exchange Rate:** 1.1635828 (with a checkbox for "Tick to amend exch. rate")
- Amount:** 30.00
- Receipt:** YES (with a note "Receipt not attached")
- Tax:** Rate (selected) with "No Tax (No..." dropdown; Amount (unselected) with "0.00" input.

## Per Diem Version 3

The final version of Per Diem that Webexpenses caters for is **Version 3**. There are 2 types of Version 3 **Per Diem: 24 hours and Mid 12**.

**Version 3** introduces several new features above version 1 and 2. Durations can be set up (up to 10) 1 of which will be a default of above 24 hours.

Both versions also cater for **Meal Deductions** – enabling meal deductions allows the administrator to set rates for **Breakfast, Lunch** and **Dinner** against each per diem duration, which are deductible from the total if taken.

Both versions also have a **Flat rate** override which when activated will negate the need to use a duration period and therefore pay a flat rate which does not depend on how long the claimant was **visiting the country** for.

### 24 hours

**24 hours** allows the Administrator to set up a number of durations, one of which will always be above 24 hours e.g. 3 durations set up **00:00 – 12:00, 12:01 – 23:59** and above **24 hours**.

Now when a claimant adds the **Per Diem category** they are presented with the following options:

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The claimant chooses the country visited **1** and adds the **start** **2** and **end** time of the visit.

If any meals have been taken (and meal deductions is enabled) then the number of each type of meal are recorded in the appropriate box **3**.

These are deducted from the total amount. Clicking on **Calculate Amount** gives the claimant the **Total** to be claimed for that **country** and **duration**.

If **Flat rate** is enabled against the rate, the claimant will still record the start and end time of the visit but will be paid a flat rate regardless.

When using the **Flat Rate**, there should not be any other **Per Diems** active for that country.

Valid From	Valid To	Rate
16-05-2024	16-05-2025	0.0000

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If meal deductions are not enabled, the claimant can still record the number of meals, but these will **not** be deducted from the total amount.

## Mid 12

Due to a change in German legislation in April 2014, new rules pertaining to Per Diems were introduced. The **Mid 12** option was developed to cater for this. The new rules required:

- When meal deductions were used, the total of the per diem should not fall below Zero.
- On multiple day trips, the day of departure and arrival are always paid at a **flat** rate. This is regardless of how many hours the claimant is out of the office on these days. Meal deductions still apply to these days.

When the Administrator chooses the **Mid 12** option in the **Per Diem** area, they can now set an option to **Enable** Flat rates for **Arrival** and **Departure**. When adding the **Per Diem Rate**, the Administrator is then given the option to save the rate as an **Arrival** flat rate, **Departure** flat rate or a **Duration**.

When a claimant goes to add a Per Diem category, they are presented with the same screen as the 24-hour option:

The screenshot shows the 'Add Claim Item' form with the following fields and options:

- Category:** Per Diem (dropdown)
- Date:** [Calendar icon]
- Country Visited:** United Kingdom (dropdown)
- Start Time:** [Time/Calendar icons]
- End Time:** [Calendar/Time icons]
- No.of:** Breakfast (0), Lunch (0), Dinner (0)
- Exchange Rate:** 1.00, with a checkbox for 'Tick to amend exch. rate'
- Amount:** [Input field] and 'Calculate amount' button
- Description:** [Text area]
- Receipt:** YES  attached, Receipt not attached
- Tax:** Rate  No Tax (No... )
- Tax (Amount):** Amount  0.00

Buttons at the top right: Cancel (⊗), Add Receipts (+), Save (✓)

The claimant chooses a **Country** visited and adds the dates and time and any meals if applicable.

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## Working example:

The following rates have been set up as a working example to illustrate the calculations:

<input type="checkbox"/>	GM1	v3 mid 0-12	Germany	EUR	0.0000	Yes
<input type="checkbox"/>	GM3	v3 mid 12-24	Germany	EUR	20.0000	Yes
<input type="checkbox"/>	GM2	v3 mid arrival	Germany	EUR	24.0000	Yes
<input type="checkbox"/>	GM5	v3 mid departure	Germany	EUR	30.0000	Yes
<input type="checkbox"/>	GM4	v3 mid over 24	Germany	EUR	30.0000	Yes



**Note:** These rates are examples only. For correct and current rates, please check with your regional Government .

## Scenario 1

Travel begins on **16/05/2024** at **9:00** and ends on **16/05/2024** at **13:00**. The amount is calculated at **€0** as it uses rate **GM1** from our table (**0-12 hours**).

### Add Claim Item

Category: Per Diem

Date: 16-05-2024

Country Visited: Germany

Start Time: 16-05-2024 09:00

End Time: 16-05-2024 13:00

No.of	Breakfast	Lunch	Dinner
	0	0	0

Exchange Rate: 1.1657377  Tick to amend exch. rate

Amount: 0.00 Calculate amount

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## Scenario 2

Travel begins on **17/05/2024** at **9:00** and ends on **17/05/2024** at **23:00**. The amount is calculated at **€20** as it uses rate **GM3** from our table (**12-24 hours**).

**Add Claim Item**

Category: Per Diem

Date: 17-05-2024

Country Visited: Germany

Start Time: 17-05-2024 09:00

End Time: 17-05-2024 23:00

No. of: Breakfast: 0, Lunch: 0, Dinner: 0

Exchange Rate: 1.1657249  Tick to amend exch. rate

Amount: 20.00 Calculate amount

## Scenario 3

Travel begins on **16/05/2024** at **9:00** and ends on **18/05/2024** at **9:00**. The amount is calculated at **€54** as it uses rate **GM2** and **GM5** from our table (**arrival and departure**).

**Add Claim Item**

Category: Per Diem

Date: 16-05-2024

Country Visited: Germany

Start Time: 16-05-2024 09:00

End Time: 17-05-2024 09:00

No. of: Breakfast: 0, Lunch: 0, Dinner: 0

Exchange Rate: 1.1657377  Tick to amend exch. rate

Amount: 54.00 Calculate amount

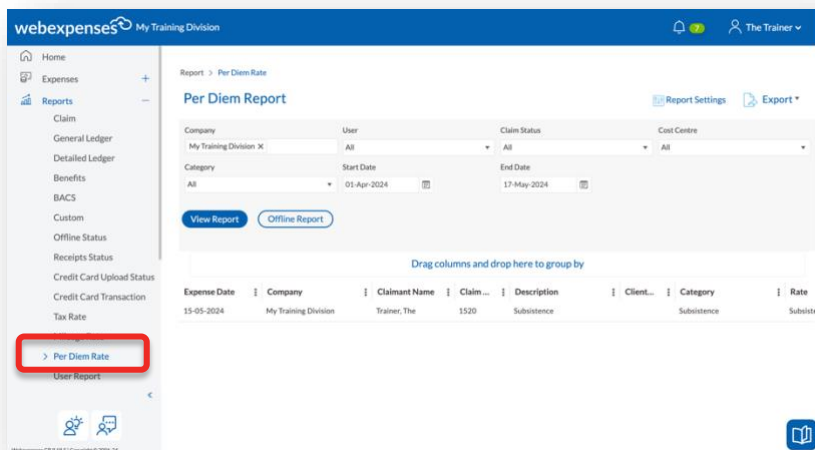
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## Scenario 4

Travel begins on **12/05/2024** at **9:00** and ends on **17/05/2024** at **9:00**. The amount is calculated at €144 as it uses rate **GM2, GM5** and **GM4** from our table (**arrival, departure and 3 x over 24-hour rate**).

## Reports

A **Per Diem** Report is available as **Standard** which gives details of the claims using a Per Diem category.



The Per Diem fields are also available in the Custom Reporting tool.

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# Support details

## Tutorials

<https://Webexpenses.zendesk.com/>

## Website

[Webexpenses.com](https://Webexpenses.com)

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