

## 100.586cd - Non-Travel Meals, Refreshments, and Hospitality Expenses

**Office:** Business Services  
**Procedure Contact:** Fiscal Coordinator  
**Related Policy or Policies:** N/A  
**Distribution:** Campus-Wide

### Revision History

Revision Number:	Change:	Date:
000	Update content and format	00-00-0000

### A. Purpose

SOU seeks to ensure that the procedures related to non-travel business meals, refreshments, and hospitality expenses are documented, communicated, clearly understood, and consistently applied. This procedure gives guidelines to help decision-makers determine the prudence of purchasing non-travel meals and refreshments with university funds. Southern Oregon University is in a sensitive situation of using state appropriations and student fees in an appropriate manner. In addition, many activities within SOU are funded by federal grants or contracts which are guided by Federal OMB Circular A-21 and Federal Acquisition Regulations. Since there are many fund groups, the issue of appropriateness applies to all funds, with the exception of Agency funds.

### B. Definitions

University funds – All funds available to the institution received from internal and external sources, including reimbursements from an affiliated university foundation for costs paid through the university. The only exclusion is agency funds. There may be specific agreement restrictions on grant, contract, or other sponsored project funds. In context of this procedure, university funds do not include funds held at an affiliated foundation when payment requests are submitted directly to and paid by that foundation.

Agency funds - Funds which establish a fiduciary relationship between an institution and another organization. Agency funds may include student campus organizations. Fund type is 91; Fund begins with 9xxxxx.

Hosting – The institution or an employee serves as host for official guests of the institution. Some hosting is considered “public relations.” See Account code section 230.D for determination of the correct posting of the cost incurred.

Unit or departmental staff retreat – A staff retreat has a written agenda with a clear business purpose, list of attendees with departmental affiliation, and is held away from the normal work location.

Conference or workshop – Organized training sponsored by the university which includes non-employees. Generally, a registration fee is charged to the attendees.

Training event – Formal training (dissemination of information) to employees or volunteers and the location is away from the place where the employee normally performs his/her work.

Recognition event – An event that formally recognizes volunteers or students for specific accomplishment. This does not include retirement events/celebrations or other employee recognition. Employee recognition guidelines are covered in the Fiscal Procedure Manual 57.200.

Departmental meeting - Regularly scheduled staff, faculty, student government or other student group meeting.

Employee working meal - Attendance must be required and business must be actively conducted during the meal period, as documented in the meeting agenda. The meal takes place in a clear business setting. The meal is usually served at a university location. Generally, a working meal at a local restaurant would not be appropriate, unless held in a private room. The per capita cost may not exceed the current meal per diem. Use by the department should be infrequent.

## **100.586cd - Non-Travel Meals, Refreshments, and Hospitality Expenses**

Official guests – An official guest is a person, not an employee of SOU, invited to an SOU facility or function for a specific purpose that benefits the university’s mission. Official guests include, but are not limited to, candidates to fill positions, visiting scientists, dignitaries, guest speakers, prospective students, and donors of time, services, information, funds, or property.

Meal – Food and beverages provided at breakfast, lunch, or dinner. It does not include alcoholic beverages.

Light refreshments – Beverages such as coffee, tea, bottled water, juice, soda. Food items such as fruit, cookies, pastries, chips, etc., are also considered refreshments when not served as part of a meal.

Gratuity – An amount paid over and above the price of the meal in recognition of the service received.

Receipt, itemized – Document which itemizes what was received and the cost of each individual item. A “tear tag” showing only the total charge is not a receipt. Credit card charge slips can be used only if they provide the detailed itemization to qualify as a receipt.

### **C. Procedures**

#### **HOSTED MEALS**

An institution or an employee, in the normal conduct of a program/activity, may serve as host for official guests of the institution by paying for their meals when a clear benefit to the university is documented and institutional approval processes are followed.

Employee family member(s) meals are not normally reimbursable; however, sometimes a job candidate or official guest is accompanied by family member(s). Only in these cases is an employee family member(s) meal an allowable cost. The number of employees with accompanying family member(s) should be reasonable for the occasion.

Hosted meals are often paid initially by the employee and reimbursed by the institution upon submission of an itemized receipt. Every effort should be made to provide an itemized receipt; however, if this is not possible, a non-itemized receipt will be accepted upon submission of a written statement specifying the expense details and signed by the employee. Hosted group meals or refreshments are generally arranged in advance by the event organizer for an entire group with the vendor paid directly by the institution.

#### **B. LIGHT REFRESHMENTS - NON-EMPLOYEES**

University funds can pay for refreshments served at volunteer appreciation, student and other focus groups, conference, workshop, student recruitment, and similar official events which involve non-employees.

#### **C. EMPLOYEE MEALS AND REFRESHMENTS**

University funds can pay for employee meals and refreshments when the employee is hosting an official guest. When only SOU employees are at a function, the meal or refreshments can be paid when the activity is a training or workshop, departmental staff retreat, or when the activity meets the definition of an employee working meal with a documented agenda. This procedure does not include overtime meals which are covered under the Fiscal Procedure Manual Section 95.100.

A meal may be provided for employees on the work site during an overtime period for the convenience of the university and must be paid as required to comply with the union contract and BOLI laws.

University funds cannot be used to pay for employee meals or refreshments for regularly scheduled departmental meetings. University funds can pay for refreshments served to institutional employees at business functions when the function lasts at least two hours.

#### **D. OTHER HOSPITALITY AND ENTERTAINMENT COSTS**

Costs for entertainment, including amusement, diversion, and social activities and any costs directly associated with such (meals, tickets to shows, sports events, transportation, lodging) cannot be paid with university funds and are unallowable per [OMB Circular A-21 - Cost Principles for Educational Institutions](#). [link works 7-28-15]

There are five exceptions:

- The event is part of a formal university- sponsored conference where the cost is recovered from participant fees.

## 100.586cd - Non-Travel Meals, Refreshments, and Hospitality Expenses

- The activity is part of a self-support instructional program where the participant is charged a fee to cover the cost.
- The event is funded by student incidental fees, authorized by the institution's student association, and is for the benefit of student group events. (This exception does not include meals for student groups.)
- The event or activity is approved in a specific grant or contract.
- The activity is part of athletic travel and cost is allowed per appropriate athletic association guidelines.

### HOSPITALITY ALLOWABILITY

All expenses that do not meet this procedure are considered unallowable and must be paid with personal funds or directly by the university's affiliated foundation (if allowed by its procedure).

**Hosting expenses of official guests of the institution can be paid with university funds.** These include candidates and accompanying family member(s) to fill employee positions, visiting scholars/scientists/artists, seminar speakers, advisory board members, prospective students, prospective student athletes within appropriate athletic association guidelines, and other guests whose visit provides a clear benefit to the institution.

**Business-related group functions can be paid with university funds.** These include conferences, workshops, departmental staff retreats, training sessions, employee working meals, student recruitment and orientation, non-employee and student recognition events, official graduation recognition, and volunteer appreciation.

List of activities when meals, refreshments or other hospitality/entertainment costs cannot be paid with university funds include [this list is not all inclusive]:

- Alumni, fundraising and other social (non-business) activities
- Department social activities such as celebrating holidays, birthdays, etc.
- Employee meals or refreshments except as defined above
- Regularly scheduled departmental meetings
- For-credit class refreshments or meals, except as indicated above.

The following expenditures may not be paid with university funds:

- Alcoholic beverages. Exception: Alcoholic beverages may be purchased when served at group functions that are part of a university-sponsored conference where the full cost of such beverages is recovered through charges to the participants or sponsoring groups. The institution is responsible for ensuring compliance with all laws and Oregon Liquor Control Commission regulations, including obtaining a one-day license for serving beer and wine. The caterer must be approved as a university vendor for insurance purposes and IRS reporting.
- Flowers, house plants or flower arrangements for offices or as donations/memorials/gifts. (Plants for public lobby or reception areas allowed.)
- Charitable donations to/for any individual or organization
- Items for faculty, staff or student personal use, such as break time coffee, tea, soda, snacks

### ALLOWABLE AMOUNTS AND APPROPRIATE ACCOUNT CODES

Expenses can be approved or reimbursed in accordance with the procedure above when it is determined the costs are:

- necessary
- appropriate to the occasion
- reasonable in amount
- serve a bona fide university purpose

#### A. Amount

## 100.586cd - Non-Travel Meals, Refreshments, and Hospitality Expenses

Actual cost will be paid with documented itemized receipt. Approved SOU travel per diem rates will be used to check for the reasonableness standard. Institutions may establish maximum dollar amounts.

### B. Gratuities

Reimbursement for a tip/gratuity of up to 15% of the charge is allowable when hosting groups or guests. The 15% limit does not apply when the establishment adds a service charge for larger groups in lieu of gratuity. In that case, the amount of the service charge is not within the control of the customer. Tips or fees for alcoholic beverage service are not reimbursable. These costs must be separated and included with alcoholic beverage purchase.

### C. Documentation

The receipt must separately itemize meals, gratuities, alcoholic beverages and any charges for room use. A "tear tag" showing only the total charge is inadequate for reimbursement. Every effort should be made to provide an itemized receipt; however, if this is not possible, a non-itemized receipt will be accepted upon submission of a written statement specifying the expense details and signed by the employee.

Payment request must include:

- Who - names of the individuals attending
- What - what is being paid
- When - date(s)
- Where - location of the event
- Why - purpose of the event

The above information is required whether paying a vendor directly, requesting a personal reimbursement, or processing an internal transaction from university catering or other food services. An announcement or agenda may be substituted for individual names when paying expenses of a large group gathering.

An employee can request payment for food and supplies when official guests are hosted at their home. The reimbursement request must include an itemized sales slip of the items purchased.

### D. Account code

It is important that the correct account code is used. Some activities are allowable per [OMB Circular A-21 - Cost Principles for Educational Institutions](#) for federal reimbursement or inclusion in the university facilities and administrative rate calculation and some activities are unallowable. Account codes identify these activities.

Hosted meals and refreshments may be hosting, public relations, or conference costs depending upon the purpose of the activity. Look to the following account codes for guidance.

Non travel-related events	Meals	Refreshments	Housing	External Facilities	Events
University training events (>2)	N/A	28611	N/A	24151	N/A
University business meetings (>2 hrs & with agenda)	N/A	28611	N/A	24151	N/A
Departmental Staff Retreats (away from work location)	28611	28611	39415	24151	N/A

## 100.586cd - Non-Travel Meals, Refreshments, and Hospitality Expenses

Employee working meal (on site, with clear business purpose)	28611	N/A	N/A	N/A	N/A
One day trips- employee meals (business at the meal)	28611	N/A	N/A	N/A	N/A
Hosting visiting scientists, scholars, guest speakers	28612	28612	39445	N/A	N/A
Hosting for faculty or staff recruiting	28612	28612	39445	N/A	N/A
Advisory board meeting costs	28612	28612	39445	24151	N/A
Focus group session costs	N/A	28612	N/A	N/A	N/A
Appreciation event for students and volunteers	N/A	28613	N/A	24151	N/A
Hosting of dignitaries or donors	28613	28613	N/A	24151	N/A
Prospective student recruitment costs	28613	28613	28613	N/A	N/A
Student Group Meetings	N/A	28613	N/A	N/A	N/A
University-sponsored conferences or workshops	28603	28604	28602	28606	28605
Athletic Training Table Meals	20300	N/A	N/A	N/A	N/A

### RESPONSIBILITIES

Responsibilities related to incurring non-travel meals, refreshments, and hospitality expenses include the following:

#### A. Business Services/Controller's Office:

- Developing procedures related to accounting and external reporting.

#### B. Service Center:

- Determining if a request for payment is appropriate.
- Determining if the cost is appropriate on the requested funding source.
- Recording the expenditure correctly in Banner FIS.

## **100.586cd - Non-Travel Meals, Refreshments, and Hospitality Expenses**

### **.690 CONTACT INFORMATION**

Direct questions about this procedure to the following offices:

Subject	Contact
General questions from institutional personnel	Service Center
Service Center	Business Services - Controller's Division

This procedure may be revised at any time without notice. All revisions supersede prior procedures and are effective immediately upon approval.