

COLLEGE OF NATURAL SCIENCES

OFFICIAL OCCASIONS AND ENTERTAINMENT EXPENSES POLICY

Summary

This policy:

- Covers the requirements and procedures to be followed for funding, payment, or reimbursement of all official occasions expenses including flowers, business meals, receptions, catered meals, refreshments, gifts, awards, etc.
- Applies to all faculty, staff and students in units in CNS, regardless of the source of funds
- Covers events in any location or city, including local events.
- Other restrictions may apply to grant or gift/endowment funding depending on grantor/donor criteria
- In most cases, dictated by university (*Handbook of Business Procedures* 9.1.1) and/or State rules

An “official occasion” is:

- Defined as a reception, dinner, luncheon, or similar event that is funded by a University account
- Associated with special programs, university guests, meetings, or faculty, staff or student recruitment

Administrative/Business Meetings:

- Involve two or more people and must include a university employee
- Are agenda driven and have a purpose and benefit to UT

Entertainment Activities:

- Food, beverages and related expenses associated with conferences, workshops, seminars, and contract and grant programs.
- Food, beverages and related expenses for working business meetings, luncheons and dinners; faculty and staff retreats; staff meetings; faculty/staff recruitment and retirement functions; special lectures; and similar university business activities associated with conducting the school’s business. Also includes receptions, lunches, and events hosted by an administrative officer of the school
- All current UT student entertainment activities on fee account must be coded 1309.

Pre-Approval of Official Occasions Expenses:

- Must be obtained from the Dean, Assistant Dean for Business Services, or delegate
 - o for proposed events with a projected cost of \$3,000 or more
 - o expenses must be appropriate and reasonable
 - o additional pre-approval must be obtained from the Provost’s Office to serve alcohol in any campus facility, including leased space
 - o when using any UT department/facility that uses the IDT process

Meals limits:

- Breakfast - \$20/person
- Lunch - \$30/ person
- Dinner/Reception - \$75/person
- Alcohol may not be the primary expenditure (less than 50%)
- Meals/entertainment for prospective faculty candidates not to exceed \$750 per day
- Departments may establish lower reimbursement limits.
- Alcohol is not allowed on any undergraduate student events

Other Official Occasion Expenses

- Club memberships require advance approval from UT's administrative officers via the Assistant Dean for Business Services
- Flowers for college-related purposes may be charged to unrestricted gift accounts only
- Holiday cards issued in the name of the department may be charged to unrestricted gift accounts only
- Alcohol is ***NOT*** allowed for undergraduate student events.

Reimbursement Procedures

- Prepare an Official Occasion Expense Form (OOEF). For events where the estimated total cost exceeds \$3,000, submit the OOEF to CNS Office of Assistant Dean for Business Services for pre-approval
- If your account is being IDT'd by AT&T EECC, Division of Housing and food, etc., you must have OOEF signed by Dean's Office
- Prepare an entertainment voucher (VPE) and include the OOEF and original, itemized receipts
- If expenses are incurred during official travel, submit a copy of the approved Request for Travel Authorization (VE5)
- Request for reimbursement must be submitted within sixty (60) days of event/travel, ***NO*** exceptions

Policy Justification

This policy covers the requirements and procedures to be followed for the funding, payment, or reimbursement of all official occasions expenses including flowers, business meals, receptions, catered meals, and refreshments. This policy applies to all units in the College of Natural Sciences, regardless of the source of funds. In addition, this policy covers events in any location or city. More restrictive policies may apply to grant funding.

This policy has been developed to assist faculty and staff as responsible stewards of College of Natural Sciences funds. In most cases, these policies and procedures are dictated by university (*Handbook of Business Procedures* 9.1.1) and/or State rules.

For the purpose of this document, an "official occasion" is defined as a reception, dinner, luncheon, or similar event that is funded by a University account. These functions are normally associated with special programs, university guests, or faculty, staff, and student recruitment. Examples include conferences/workshops/seminars, development events (donor receptions, fundraising activities, etc.), planned retreats, staff meetings, retirement receptions, unit or department morale-building events, and other similar activities.

Administrative/Business meetings generally involve two or more people, must include a university employee, are agenda driven, and directly concern university business. Business meeting expenses may be reimbursed if the meal or light refreshment is an integral part of the meeting, not a matter of personal convenience, and the meeting time encompasses a regular meal time and could not otherwise be scheduled during regular working hours. University funds should not be used for social lunches between two or more university employees.

Entertainment Activities

Entertainment activities as official occasions are separated into the following three categories:

1. Workshop, Seminar, Conference or Class (Object Code: 1347): Cost of food, beverages and related expenses associated with conferences, workshops, seminars, and contract and grant programs. Payments to speakers, travel costs for speakers, and participant support fees are not included.
2. Business meetings (Object Code: 1347): Cost of food, beverages and related expenses for working business meetings, luncheons and dinners; faculty and staff retreats; staff meetings; faculty/staff recruitment functions; and similar university business activities associated with conducting the school's business. Also included are receptions, lunches, and events hosted by an administrative officer of the school (Dean, Assistant and Associate Deans, Department Chairs, Program Directors, or Directors of Organized Research Units).
3. Official Student Occasions (Object Code: 1309): All current UT student entertainment activities must be coded 1309 if on fee funds.

Pre-Approval of Official Occasions Expenses

Pre-approval must be obtained from the Dean or Assistant Dean for Business Services using the Official Occasion Expense Form (OOEF) in the following situations:

- Academic Departments/Research Centers/Dean's Office: Any proposed event with a projected cost of \$3,000 or above. The Department Chair/Director can approve in advance a proposed expenditure of less than \$3,000 per event within his/her department. However, an OOEF must be signed in Dean's Office if it is an IDT. Process: Send OOEF to Gail Davis at least two weeks in advance of any expenditures related to the event.
- Activities where the attendees are primarily members of the same department or unit: Annual events, such as departmental holiday parties and staff appreciation lunches, are allowed and will be approved provided the proposed activities and expenditures are appropriate and reasonable.
- Alcohol in Campus Facilities: Advanced approval by the Executive Vice President and Provost is required to serve alcohol in campus facilities, including leased spaces. Approval must be submitted with the Official Occasion Expense Form and voucher to the Dean's office. Vouchers will be rejected if the Provost's prior approval has not been obtained. Refer to the Provost's Office website for guidelines and approval. (http://www.utexas.edu/provost/policies/alcohol_guidelines.html)

- Faculty and staff may not approve their own Official Occasion Expense Forms and reimbursements, regardless of the account. They must be approved by someone else with signature authority on the account(s) (chair or director).
- Per HBP 9.1.1, oversight of entertainment expenditures is required at the senior administrative level, i.e. by vice presidents and deans. Only the Dean and Provost have the authority to make exceptions to this policy.

Meals

Payment for meals is reimbursed only for official visitors, including prospective faculty and invited lecturers, and other official occasions as defined above. The College of Natural Sciences has established the following average per-person reimbursement limits for meals. Departments may establish lower reimbursement limits. The meal limits include tax and tip (up to 20%) regardless of the account used for payment.

Meal limits per person (includes tax and tip, up to 20%):

Breakfast	\$20/person
Lunch	\$30/person
Dinner/Reception	\$75/person

These limits will be reviewed on an annual basis and adjusted accordingly.

Expenses for alcohol may not be the primary expenditure submitted for reimbursement, that is, greater than 50% of the total expense. In general, alcohol-only expenses will not be reimbursed except for development meetings with donors or prospective donors. The justification for alcohol-only reimbursement must be documented on the Official Occasion Expense Form.

Payment for meals and entertainment of each prospective faculty candidate should not exceed \$750 per day.

Attendees at faculty recruiting meals should be limited to the number who can reasonably interact with the faculty candidate. For example, meals generally should involve no more than four people (the candidate and three faculty members) or a total of six people if inclusion of spouses is justified (the candidate and spouse, two faculty members and spouses).

Reimbursement for spouses or guests at a business meeting or meal is almost always not appropriate. There are special circumstances that allow reimbursement, such as during recruiting visits, provided the faculty recruit brings his/her own spouse or guest. Reimbursements for children are not appropriate, except for justified development purposes.

Alcohol is not allowed on any undergraduate student recruiting visits. There is a two drink maximum per person for any alcohol at any graduate student-recruiting event.

Meals with colleagues and/or staff are almost always not reimbursable expenses. However, there may be special circumstances that justify reimbursement. For example, if a meeting must occur during the lunch hour because the conflicting schedules of the participants prevent the meeting at any other time, this expense is reimbursable.

Other Official Occasions Expenses

For an entertainment expense to be allowed, all those attending must serve a bona fide business purpose. This purpose must be documented on the **Official Occasion Expense Form**. Companion expenses are generally not reimbursed unless they are for receptions, development, distinguished visitors/lecturers, or recruitment purposes. In order to justify a bona fide business purpose, expenses for a university host's companion are usually reimbursed only if the guest also brings a companion.

Club memberships charged to the school's accounts require advance approval from UT's administrative officers. Advance approval by the Provost is required for club memberships for academic and administrative employees. Club initiation fees and monthly fees must be paid as a personal expense unless the membership is used strictly for business purposes. If the membership fee is to be paid using CNS funds, the membership should be paid on a VP2 document. Only the entertainment expense should be paid on a VPE (entertainment document). Monthly statements should be reviewed for inadvertent personal charges, which must be paid by the individual.

Flowers sent by a department or office to honor the deceased or for congratulatory occasions for other University related purposes may be charged to unrestricted gift accounts only. Expenditures from faculty endowed accounts, scholarship accounts, and other restricted accounts are NOT authorized for flowers. The maximum allowable expense is \$100 including delivery.

Holiday cards issued in the name of the department or any office may be charged to unrestricted gift accounts only.

Alcohol is NOT allowed for undergraduate student events and is never allowed on fee accounts. There is a two drink maximum per person for alcohol at graduate events.

Refer to the appended UT Expenditure Policy Chart for items not cited above.

Account Numbers for Official Occasions Expenses

Payment for meals, refreshments, and related items may be charged only to unrestricted gift accounts, or accounts specifically budgeted for official occasions, with the following exceptions:

- Sponsored Research Funds (26-accounts) may be used with documented advance approval by the sponsor attached to the OOEF.
- Continuing education programs and conferences (19-accounts) may include meals and refreshments if included in the program budget, and allowed by the account.
- Entertainment expenses paid on Student Fee Accounts must be only for Official UT-Student Occasions.

Reimbursement Procedures

As a general rule, the host must be employed by UT at the time costs are incurred. To request reimbursement, an entertainment voucher (VPE) must be prepared, with all claimed expenses supported by original itemized receipts with proof of payment. If receipts are not provided, reimbursement will not be approved. The approved Official Occasion Expense Form (OOEF) must be submitted with the payment voucher (VPE). If expenses are incurred during official travel, a copy of the pre-approved Request for Travel Authorization (RTA) must also be provided.

In order to substantiate the expenditures as a business event and prevent a personal tax liability for these events, the date, location, participants' names, titles, affiliation with UT, purpose of the meeting, and benefit to the university must be documented on the OOEF.

On the OOEF, if more than ten (10) participants are involved, a general description and approximate number of people in attendance must be stated. For example: "Alumni of the College of Natural Sciences were invited to an annual BBQ reception; approximately 350 are expected to attend."

Due to Internal Revenue Service (IRS) regulations and the Safe Harbor rules, employee reimbursement expenses older than 60 days require a written explanation as to the reasons for the lateness. These late reimbursement requests will also require additional levels of approval and may be disallowed entirely or reported as taxable income to the payee.

Department chairs, ORU directors, associate and assistant deans and those reporting directly to the Dean, must obtain reimbursement approval from the Dean.

Subordinates may not approve supervisors' reimbursement vouchers.

Direct Billing

A number of catering companies direct-bill the University for food and services. For example, the Texas Union and The Carillon (at the AT&T Center) routinely charge University accounts for events, which require similar documentation. Since the Texas Union will directly bill your accounts via the interdepartmental transfer process (IDT), a copy of the approved OOEF signed by the Assistant Dean for Business Services must be submitted to the Texas Union prior to the event. This process should be followed when using any UT department/facility that uses the IDT process.

An OOEF approved by authorized staff must accompany every reimbursement or payment request.

Conclusion

If the appropriateness of the expenditure(s) using University funds is ever in question, please contact the Assistant Dean for Business Services at 47-3285 for clarification *before* a purchase is made.

APPENDICES

- *Handbook of Business Procedures* 9.1.1
(http://www.utexas.edu/business/accounting/hbp/09_expend/expend1-1.html)
- [Official Occasion Expense Form](http://www.utexas.edu/business/accounting/hbp/forms/occasion.pdf)
(<http://www.utexas.edu/business/accounting/hbp/forms/occasion.pdf>)
- University of Texas Tax Exempt form
(<http://www.utexas.edu/admin/purchasing/taxexemptinfo.html>)
- UT Expenditure Policy Chart
(<http://www.utexas.edu/business/accounting/hbp/forms/officialguidelines.pdf>)
- Guidelines for Requesting to Service Alcoholic Beverages on Campus
(https://www.utexas.edu/provost/policies/alcohol_guidelines/)