

Applies to: (examples; Faculty, Staff, Students, etc)

Faculty , Staff , Students , Contractors_Vendors

Policy Overview:

Issued: 10-01-2016

Next Review Date: 09-21-2021

Frequency of Review: Annually

It is important that the College utilize its resources to further the mission of the institution and be a thoughtful steward of its funds. This policy provides guidelines and limitations regarding expenditures of resources for the business purpose of entertainment, hospitality, and recognition. Expenditures are expected to be both reasonable and appropriate to the circumstances.

While such expenses are necessary and may benefit the College, funds expended for these purposes are resources that will be unavailable for other important expenditures that could further the mission of the College. Thoughtful utilization of College resources is an obligation of all faculty and staff.

Funds for expenditures of this nature are generally unallowable on grants and should be funded by unrestricted funds of the College.

This policy applies to all individuals expending funds for the purposes of entertainment, hospitality, and recognition on behalf of the College.

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Details:

The College relies on its faculty and staff in determining whether business meals and entertainment expenses are necessary and reasonable. This policy establishes guidelines to help these individuals make appropriate resource allocation decisions.

Persons responsible for approving expenditures related to business meals and entertainment need to be thoughtful and exercise good judgment in utilizing College funds for these purposes.

Business Meals

The College will reimburse for the reasonable, actual expenses of meals and gratuities when the College is hosting a business meal with guests that are not affiliated or employed by the College, except under unusual circumstances. Per IRS guidelines, the meals cannot be lavish or extravagant.

Additionally, the IRS requires the following information for documentation purposes:

- List of attendees
- Documented business purpose
- Cost, supported by detailed receipt
- Location of meal
- Date of meal
- Description of meal (breakfast, lunch or dinner)

This information is needed for any meal whether it is catered by dining services or held off-campus. The Business Meal and Entertainment form outlining this information must be submitted with the reimbursement or payment request.

To be considered a qualifying business meal, there must be a clear business reason for the meal and substantial discussion relative to the College's operations must occur. When an employee's companion or spouse is included in the group, that person's meal cannot be included in the reimbursement request unless his/her specific presence is directly integral to the business being conducted and appropriate documentation for the bona fide business purpose is submitted, or the companion/spouse of the business associate is in attendance.

It is the responsibility of the host employee to ensure that the cost of the meal is kept at a reasonable level. Generally, reimbursement for business breakfasts and lunches will be limited to no more than \$30 per person and business dinners should be limited to no more than \$60 per person. Typically, no more than 2 or 3 faculty/staff should dine off-campus with each guest. Those faculty/staff present at the meal should be critical to the issues being discussed. Exceptions may exist at conferences where more than 2 or 3 faculty/staff are in attendance.

Alcohol purchases at hosted dinners should be limited to no more than \$25.00 per person. Alcohol will only be reimbursed under certain circumstances. These circumstances are outlined in the Alcohol section of this policy.

Meals between Employees – General Guidelines

Meals involving only College employees - whether held on or off campus - will not be reimbursed. This includes meals catered by college dining services. In addition, the College will not pay for meals on or off campus for faculty/staff meetings except under the circumstances as outlined in the Permitted Meals between Employees section of this policy.

Permitted Meals between Employees

Annual department faculty/staff retreats are reimbursable. In general, these events should be held on-campus. Lunch may be provided and catered by college dining services. In the event that a retreat is held off-campus, there should be a legitimate business reason to hold the retreat off-site and the cost of the retreat should be comparable to holding the event on-campus.

Faculty dinners at national conferences are reimbursable.

Annual celebratory meals (e.g., holiday, end-of-year) may be hosted by the department. The cost of such meal will be reimbursed at the per diem meal rate for the meal being provided (i.e., breakfast, lunch or dinner) as defined by the government agency website that sets per diem rates. Per diem rates for the location can be found at www.gsa.gov/portal/category/100120. The breakdown of the per diem by meal type can be found at <http://www.gsa.gov/portal/content/101518>.

Light refreshments (e.g., pastries, cookies, bagels, coffee, punch) can be offered at departmental gatherings and seminars as appropriate.

The Business Meals and Entertainment form must be submitted for all requests for payment related to meals for employees.

Entertainment and Meals with Students

Light refreshments for receptions, lectures, and other special events focused on students are reimbursable. College dining services should cater such events.

The occasional entertainment of student volunteers, student workers, and resident assistants by department heads as a "thank you" is permissible. This should occur once per semester and should be inexpensive (e.g., pizza, sandwiches).

Alcohol

The College will reimburse alcohol under certain circumstances. These circumstances are as follows:

- Donor and alumni events,
- Dinners with external guests (e.g., donors, visiting lecturers, potential employees),
- College-sponsored events (e.g., College holiday party), and
- Faculty and staff approved travel (e.g., within the per diem limits).

While the College will allow for the reimbursement of alcohol under these circumstances, individuals need to drink responsibly, remembering that they are representatives of the College. The College does not condone excessive alcohol consumption.

Entertainment Expenses

Entertainment expenses are those expenses incurred while entertaining guests of the College. Examples of such events would include social or recreational activities where business discussion takes place immediately before, during or after the event. Entertainment expenses must be approved *in advance* by the appropriate President's Staff member.

To request reimbursement or payment of entertainment expenses, the Business Meals and Entertainment form must be completed and submitted with the request.

Gifts and Memorials

The College will cover floral arrangements or other similar gifts on the occasion of birth, death, or illness at a cost not to exceed \$100. Departmental employees can make additional contributions to supplement these funds, if desired.

All gifts and memorials for alumni and donors must be coordinated through the Advancement Office and the President's Office.

Giveaways for Events

There are times at special events when the College will provide giveaways to encourage participation by attendees (e.g., students, high-school counselors, etc.). The prizes given away should be reasonable based upon the size and scope of the event. The value of the prize items should be limited to no more than \$100. Items above this amount require prior approval by the appropriate President's Staff member and the VP, Finance and CFO. Giveaways of a high-dollar value could trigger a taxable event for the recipient of the gift.

Contributions to Charitable Organizations/Non-Profits

The College does not permit the use of College funds, regardless of their source, for donations of any kind to non-profit or charitable organizations. The President may permit exception to this policy if it is determined that participation in an event through the purchase of a table or seats will promote a strengthened relationship between the College and the community. *Nominal charitable contributions to other institutions may be made if there is a documented business purpose for the expense and the exception is approved by the President.*

Political Contributions

As a non-profit, private institution of higher education whose activities are regulated in part by Section 501(c)(3) of the Internal Revenue Code (IRS), the College is prohibited from participating in political campaigns for candidates or ballot initiatives and is restricted in conducting lobbying activities. Violation of IRS regulations could have serious ramifications for the college, including loss of its tax-exempt status.

Therefore, no College resources may be utilized to support political campaigns or to conduct lobbying activities. This includes College funds, facilities, communication systems (e.g., phone, email, computer network), mailing/email lists, office supplies, and other equipment.

Non-Reimbursable Meals and Entertainment Expenses

The College will not cover the costs of personal celebrations (e.g., birthdays, promotions, showers, administrative professional's day).

Procedures:

Expenses for business meals and entertainment should be paid either by completing the employee reimbursement request form or by making a payment directly to the vendor. Expenditures of this nature should not be included on the travel expense reimbursement request form.

Reimbursement or direct payment requests for business meals and entertainment require that the Business Meals and Entertainment form be submitted with the detailed receipt or invoice.

All expenses require the appropriate documentation as well as the detailed receipt for reimbursement or payment to the vendor.

Responsibilities:

Position/Office/Department	Responsibility
Staff/Faculty	Be familiar with the policy and adhere to guidelines as well as provide the necessary documentation for reimbursement. Ensure approval of business meals and entertainment expenses is obtained <i>before incurring expenses as necessary.</i>
Supervisors	Be familiar with the policy and ensure adherence to guidelines. Act as the first reviewer regarding the expenditure approval process. Make sure that the reimbursement request forms have the appropriate signatures and documentation. Make a judgment regarding the expenditure to determine whether it is reasonable or inappropriate/extravagant. If deemed inappropriate/extravagant, deny reimbursement as necessary. Inform requestor whether documentation or information is missing and return for correction.
Accounts Payable Administrator	Acts as a second check regarding adherence to policies and informs requestor of issues with reimbursement or payment request. Returns form to requestor if it requires correction. Processes reimbursement and payment requests.
AVP, Finance	Acts as an additional reviewer regarding adherence to policy and provides oversight related to expense reimbursement process.
VP, Finance & CFO	Acts as an additional reviewer regarding adherence to policy and reviews expense reimbursement and vendor payments.

Policy Contacts:

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