



Business Meal, Hospitality and Amenity

Policy Statement

Any University business meal, hospitality or amenity expenditure must have a clear business purpose which advances the University's mission, must be reasonable in amount, and appropriate under the relevant circumstances. The person(s) responsible for the expense is responsible and accountable for ensuring compliance with this policy and appropriate federal, state and local guidelines.

This guidance applies to all payment mechanisms, including invoices from vendors, purchasing card charges, petty cash, and expense reimbursement. It is also designed to help faculty and staff determine what is reasonable within the broad array of events and situations that occur on and off campus.

Amenity purchases from Recharge Centers (i.e., Income/Expense activities) may not be included in the rate they charge to agriculture formula or sponsored project funds.

Reason for the Policy

The University of Vermont (University) has been entrusted with public funds to fulfill its mission of education, research, and public service. All University faculty and staff are obligated to ensure that University funds are used only for mission-related purposes. There are instances where business meal and amenity expenditures are beneficial to the unit's and the University's mission. At the same time, by their subjective nature there is potential for the misinterpretation of legitimate use. Thoughtful consideration by all University personnel is essential in making prudent and ethical decisions about business meal and amenity expenditures.

Applicability of the Policy

This policy applies to all University of Vermont faculty, staff, and University- and Student Government Association-recognized organizations, with the exception of the UVM Foundation which has its own policy.

Exceptions should be infrequent. Departments may request an exception from the University Controller in those situations where special circumstances exist. An exception should be obtained in advance of the event.

Policy Elaboration

Categories of Expenditure

Business Meal: A meal attended by faculty, staff, students, non-University personnel, and official guests of the University, for which the primary purpose of that meeting is to conduct University business. Business meals may occur while away from campus on travel status, or locally with consultants, academic collaborators, recruits, and others with official University relationships. The main focus of the activity is University business and consumption of food is incidental to the purpose of the meeting.

- Where possible, business meals should be conducted on campus, during normal business hours, and be limited in scope. University facilities provide a variety of appropriate venues to conduct most business meetings. Travel to and from off-campus sites creates additional traffic in the local surroundings, increases the University's carbon footprint, consumes additional time, and may create additional risks.
- All reimbursement requests for business-related meal expenses must fully document the purpose of the meeting, the names of those in attendance, the time and place of the meeting, and include an itemized receipt. A credit card receipt is allowable only if itemized.
- Business meals require a significant commitment of time and financial resources. Accordingly, the number of such events should be limited.
- Meals/refreshments may be provided to employees who are required to work during a declared or non-declared campus emergency.
- Meals and refreshments on sponsored projects are allowed to the extent they are allowable under University of Vermont policies and those of the sponsor. In many instances, the terms of the grant or contract are more restrictive than the University's policy.
 - Whenever possible, the need for such meals and refreshments should be included in the proposal budget.
 - In order for business meals to be charged to a federal grant, the following must be demonstrated:
 - The meal must be part of a formal business meeting and integral to the continuity of conducting business or there must be some other clear and compelling reason why the business could only be conducted over a meal.
 - The meeting must include external participant(s).
 - The business discussed during the meal must be integral to the goals and objectives of the project.

Business Meal While on Travel Status: A University employee can incur a business meal expense while on travel status. These expenses must be documented in accordance with the procedures specified in this policy, with a clear business purpose. The meal must be incidental to the meeting. Other meals for travel are reported separately from the business meals. See [Travel Policy](#).

- If payment for a business meal while on travel status is required, the cost of the University employee's meal is included in the daily maximum meal allowance under the Travel Policy.

Meal Provided to a Spouse or Family Member: Meals provided by the University to a spouse, family member, or other person accompanying a University employee will be permitted only when there is a substantial and legitimate business reason for that person's attendance, documented in writing and attached to the documents supporting payment. The IRS does not permit tax-free treatment when the spouse or other person is present merely for a social or personal purpose.

Travel Meal: A meal taken while on travel status; the employee is away from home on a trip requiring an overnight stay. Actual and reasonable meal expenses (including gratuities) will be paid in accordance with the University [Travel Policy](#).

Entertainment expenses: Per applicable federal guidelines, entertainment meals are allowable on federally sponsored projects only with prior approval from the sponsor.

Hospitality: Food service at public events such as art exhibit openings, student functions, farewell or retirement receptions, or fund raising events is allowed. With the exception of business meals, any event or activity where alcohol is being served is considered a hospitality event.

Refreshments: Food service at closed events such as workshops, employee training events, etc., which is not a full meal, for example coffee and bagel, or fruit, cheese and crackers, etc., is allowed. Food services provided for University employees only is considered refreshments. Providing refreshments for staff, faculty or committee meetings on a regular basis is discouraged.

Groceries, Food Purchases: Grocery and food purchases for refreshments or business or hospitality meals held on or off campus may be reimbursable if provisions of this policy are met.

Amenity: A gift item that helps to build, strengthen and promote relationships between the University and external groups or individuals.

- When traveling abroad, it may be appropriate to bring a gift or amenity to a host or host family.
- Expenditures for officially sanctioned University activities, such as Commencement or the Employee Recognition Program are appropriate.
- Length of Services Awards, retirement gifts, etc.: Items may be given to employees for these types of occasions, at the discretion of the Dean or appropriate Vice President, if unrestricted funds or discretionary gift funds are available. These may be reportable as taxable compensation. See [Awards, Prizes and Winnings Procedure](#).

Employee Morale Activities: Those University-wide activities such as Staff Appreciation Week, retirement parties, University-wide length of service awards are allowed. These activities are appropriate when held at University facilities and are open to University attendance. If non-University space is required, preapproval must be granted by the University Controller.

- One annual appreciation gathering per year is allowable, hosted by chair, director, etc. A maximum of \$50 per employee in spending is allowable toward the annual appreciation gathering, if unrestricted funds or discretionary gift funds are available.

Alcohol: The expenditure and the circumstances for the consumption of alcoholic beverages must not jeopardize the University's reputation, or the health and welfare of those involved. Alcohol

may only be paid for with discretionary gift funds or non-student agency funds, and the expense **must** have **prior** approval, in writing, of the Provost or appropriate Vice President.

See [Faculty and Staff Alcohol Policy](#).

- Alcoholic beverages are never allowable on federal sponsored projects, and are generally unallowable on non-federal awards.
- All official University functions held on-campus where alcohol is served must be catered by the University's contracted food service provider, except as exempted by contract.
- Official off-campus functions where alcohol is served must be carried out by a vendor holding a valid liquor license.
- Payment for services of a bartender for a cash bar (individuals paying for their own beverages) must have prior approval, in writing, of the Provost or appropriate Vice President.
- University employees will not be reimbursed for alcohol purchased at a liquor store, grocery store, or similar venue.
- All vendors serving alcohol are required to meet the University's standard insurance requirements and carry \$1,000,000 per occurrence in liquor liability insurance. Off-campus providers must name the University as additional insured.
- All attendees consuming alcohol at an event where alcohol is being served must be of legal drinking age.

On-Campus Catering: Departments and student organizations must adhere to the Campus Catering Process and use only approved vendors when using University funds, whether delivered or picked up, regardless of dollar amount. All exceptions must be approved through the campus catering waiver process managed through Conference and Event Services.

- [Campus Catering Process](#)
- [Approved Caterers](#)
- [Catering Waiver Form](#)

Documentation Requirement: **Itemized** receipts are required for all expenses incurred, regardless of the method of payment to be considered substantiated. All requests for reimbursements must be submitted within 60 calendar days of the expenditure.

Lost Receipts: If a receipt is lost, misplaced, or damaged beyond legibility, the employee is responsible for contacting the vendor and requesting a copy of the receipt. This applies regardless of method of purchase, i.e., cash, purchasing card, personal credit card, etc.

- If the traveler is unable to submit a receipt, the expense amount will be deducted from the total reimbursement.
- In limited circumstances, alternate documentation approved by the Provost, Dean or Vice President may be accepted.

Unallowable: Expenses for the following types of occasions are not permitted:

- Employee birthdays, weddings, anniversaries, holiday gatherings, etc. Expenses for these occasions will be borne by the employee.
- Expenses for social gatherings without a clear business purposes will be borne by the employee.
- Flowers, greeting cards or other gifts to University Employees.
- Expenditures for most occasions (Secretary's Day, Administrative Assistant's Day, Boss' Day, birthdays, holidays, get well, funeral, etc.) are not allowed using University funds. This includes meals, food, amenity items, flowers, and gifts.

Definitions

Accountable Plan: To be an accountable plan as defined by the IRS, an employer's reimbursement or allowance arrangement must include all of the following rules or the cash advance can be considered taxable income.

1. Expenses must have a business connection that is, an employee must have paid or incurred deductible expenses while performing services as an employee of the employer.
2. Adequate accounting to the employer for these expenses is expected within a reasonable period of time.
3. Any excess reimbursement or allowance must be returned within a reasonable period of time.

Business Purpose: An activity or event conducted to further the mission of the University of Vermont. Without the expense, programmatic objectives would be difficult or otherwise more costly to achieve or the impact, level, or quality of the achievement would be reduced.

Itemized Receipts: A receipt which shows the detail of each item purchased, date, time, vendor name, etc. It is normally printed by a cash register.

Reasonable: The quantity and quality of goods or services being purchased is sufficient to meet the University's identified need without exceeding it.

Substantiated: Expenses documented with original, itemized receipts, date of event, business purpose and attendees.

Travel Status: An employee traveling away from home if work duties require the employee to be away from the general area of one's tax home for a period substantially longer than an ordinary day's work, and sleep or rest is needed to meet the demands of the work while away.

Unsubstantiated: Expenses which are not documented with original, itemized receipts, dates of expense, business purpose, and attendees.

University Business: Defined as "while on assignment by or at the direction of the University for furthering its business interest."

Procedures

See Policy Elaboration

Forms

[Catering Waiver Form](#)

Contacts

Questions related to the daily operational interpretation of this policy should be directed to:

Disbursement Center
disburse@uvm.edu

Sodexo Food Service
<https://uvm dining.sodexomyway.com/catering/index.html>
(802) 656-4617 (for on-campus catering)

Campus Catering Process
Conference and Events Services (802) 656-5665
<https://www.uvm.edu/eventservices/catering-guidelines>

The Vice President for Finance and Administration is the official responsible for the interpretation and administration of this policy.

Related Documents/Policies

Alcohol Service and Consumption at University Activities –Faculty and Staff
https://www.uvm.edu/sites/default/files/UVM-Policies/policies/alcohol_employees.pdf

Awards, Prizes and Winnings Procedure

<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/prizes.pdf>

Business Meals, Hospitality and Amenity Policy FAQ

<https://www.uvm.edu/finance/business-meals-hospitality-other-reimbursable-expenses>

Campus Catering

<https://www.uvm.edu/eventservices/catering-guidelines>

Cost Policy on Sponsored Agreements

https://www.uvm.edu/sites/default/files/UVM-Policies/policies/SponAgree_CostPolicy.pdf

Requisitions, Purchase Orders, and Reviewing Payment Information User Guide

https://www.uvm.edu/sites/default/files/Division-of-Finance-Administration/UserGuides/requisitions_Fluid.pdf

Travel and Expense User Guides

<https://www.uvm.edu/finance/user-guides>

Travel Policy

<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/travel.pdf>

UVM Purchasing Card

<https://www.uvm.edu/finance/purcard>

Effective Date

Approved by the President on January 13, 2014

Accepted by the Vice President for Finance and Treasurer on January 7, 2014