

UCR Policies and Procedures

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Policy Title:	Expenditures; Campus Hospitality
Policy Number:	200-44
Responsible Officer:	Associate Vice Chancellor of Business & Financial Services & Controller
Responsible Office:	Business & Financial Services – Accounting Office
Origination Date:	01/31/2014
Date of Revision:	12/19/2017
Date of Last Review:	12/19/2017
Scope:	Guidance Concerning Expenditures Involving Entertainment, Business Meetings, & Other Occasions

I. POLICY/PROCEDURE OVERVIEW

There are occasions in which the University may provide hospitality to campus and/or community audiences to support the mission of the University. Expenditures must be cost effective and in accordance with the best use of public funds. University-wide policy and procedures, described in [UC Business and Finance Bulletin BUS-79 Expenditures for Entertainment, Business Meetings and Other Occasions](#), govern the manner and extent to which the University may extend hospitality. The campus policy and procedures adheres the University-wide policy, procedures, and rates described in BUS-79.

This campus policy is based upon the philosophy that the use of University funds for entertainment-type expenditures must be essential, prudent, in keeping with accepted standards of the educational community, and in accordance with the best use of public funds.

NOTE: Vice Chancellors and Deans, at their discretion, may institute more restrictive policies for their respective organizations.

II. ALLOWABLE EXPENSES AND AUTHORIZED RATES

- A.** These entertainment-type categories of expenditures are allowed reimbursement for meals or light refreshments and other expenses in connection with University business. See **BUS-79 for a complete list and** for detailed definitions of each category.
- B. Authorized Rates.** The maximum per person rates for meals and light refreshments are established by UC and include the cost of food, beverages, labor, sales tax, delivery charges and other service fees. (See **BUS-79, Appendix A** for maximum rates for meals and light refreshments.).

III. APPROVAL OF EXPENDITURES

A. General Approval

The department head (or equivalent authority) is authorized to approve routine entertainment-type expenditure as laid out in the Entertainment Policy (BUS-79) and Approval Matrix (Appendix B).

Some transactions require higher level approval (e.g. Additional Approval or Exceptional Approval. See BUS-79, V.A.)

For internal control purposes, the approving authority should be the supervisor of (or at a higher classification than) the person claiming the expenditure and the official host.

Before expenditures are approved, it is the responsibility of the approving authority to determine that:

1. The expense supports the department, organization and University's mission.
2. The expense is reasonable, cost effective and exhibits the best use of University funds.
3. The expense is allowable for the fund source.
4. The expense does not create taxable income for an employee or student
5. Funds are available for the expense.

6. Alternatives that would be equally effective in achieving the desired objective have been considered.

B. Expenses Requiring Additional Approval

To avoid payment delays, it is best practice to obtain pre-approval for these expenses and departments should check with their organizational unit on org specific processes. For examples, see BUS-79 for a complete list.

C. Exceptional Approval

The Chancellor has delegated the authority to approve exceptions from this policy to the Executive Vice Chancellor/Provost, Deans and the Vice Chancellors for his/her respective area. This authority cannot be re-delegated further. The request for exceptional approval must be justified in writing to the appropriate authority (*i.e.*, EVC/Dean/VC) at least ten (10) working days prior to the event.

Expenses Requiring Additional Approval: **Other Events** not specifically outlined in BUS-79 and **Approval Matrix** (Appendix B).

Only the Chancellor is authorized to approve the following exceptions:

Expenses that exceed 200% of the per-person maximum rates - the request must include a brief justification as to why the higher costs were unavoidable and necessary to achieve a University business purpose. Only actual costs incurred will be reimbursed. The fact that actual costs exceed the authorized rates is not in itself adequate justification for a higher reimbursement rate.

EXCEPTIONS SHOULD BE INFREQUENT

In addition, the requests for exceptions must be in writing and outline each aspect of the event that is an exception to policy for which approval is being requested. Please note expenses requiring exceptional approval may not be charged to State funds or other restricted fund sources.

For complete details, see the Business Meetings, Entertainment, and Other Occasions Policy (BUS-79) and Approval Matrix (Appendix B).

IV. REIMBURSEMENT PROCEDURES

A. General Requests

The University will only reimburse entertainment-type expenses related or associated with the active conduct of official University business, as provided in section 274 of the Internal Revenue Code.

A payment request must be submitted via the ePay system for payment or reimbursement of entertainment expenses with the exception of catered events paid by recharge through Dining Services.

One ePay request should be submitted per event. If the event spans multiple days, the request must include a breakdown by meal by date.

- The guest list is to establish the business relationship of the participants to the University. If the group is very large and is inclusive of a campus segment (e.g. campus-wide staff appreciation picnic), it is not necessary to include individual name and titles.

*Individual Receipts under \$75.00 are not required.

**Lost Receipt - If the original itemized receipt is not available because it's lost or all measures to obtain a duplicate receipt have been exhausted, please complete and submit a "[Declaration of Missing Evidence](#)" form available at the [UCR Accounting Office home page – forms](#). The acceptance of this form is subject to the frequency of its use.

B. Catered Events Paid by Purchase Order

Payment of expenses for a catered event may be processed on an invoice, provided it contains all the proper approvals and information specified in Section IV above. An Epay PO Backup should be completed via the Epay Payment Request system and sent to the Accounting office before the arrival of the invoice from the vendor. Please reference the Purchase Order number on the copy of the receipt or order form attached to the backup/supporting documentation. Invoices cannot be paid without an Epay PO Backup request in the ePay system.

C. Catered Events Paid by Recharge

Epay/Epay PO Backup is not required for catered events through Dining Services. Payment is generally made through a web recharge. The information specified in section IV above will be collected on the contract between the requesting department and Dining Services. All other parts of the entertainment policy should still be followed.

D. Account Numbers for Entertainment Expenses

Care should be taken in assigning account numbers for entertainment expenses, as follows:

1. **714140 - Food and Beverages for Business Meetings and Conferences** should be used for the cost of food and non-alcoholic beverages served at business meetings and conferences.
2. **714160 - Social Activities and Entertainment** should be used for the cost of all policy exceptions, alcoholic beverages, social activities, and foods and beverages served at events that are more social than business in nature (e.g., expenses for retirement parties, and meals honoring guests of the University). Costs in account number 714160 are not allowable costs (from the federal government's perspective) to be included in the indirect cost rate calculation. Thus, we must be careful in separately identifying these costs so they can be excluded from the rate setting process.

E. Check Delivery Restrictions (Financial Control)

To ensure that adequate internal control standards are met, a payment issued to reimburse entertainment expenses shall be made directly to the individual incurring the expense or the vendor providing the service. Such payments shall **not** be delivered to any of the individuals involved in the approval or payment preparation process. Thus, all relevant documentation should be attached to the request for payment and mailed to the payee with the check.

F. Meals While on Travel Status

A University employee on travel status who incurs entertainment expenses (e.g., meals for others for a business purpose) must claim such expenses in accordance with the procedures specified above in Section IV.1. Such expenses should be claimed on an Epay payment request and referenced on a Travel Expense Voucher to ensure that the meals for travel are separated from the meals for entertainment.

Note: When traveling with colleagues, each individual must pay for his/her own meals and request reimbursement on their respective travel expense vouchers.

V. OTHER POLICY REFERENCES

- UCOP [BUS-79 - Expenditures for Business Meetings, Entertainment, and Other Occasions](#)
- UCOP [G-28 - Travel Regulations](#)
- [IRS website](#)

UCR Policies and Procedures Manual:

- [Scheduling & Use of University Facilities \(sections on serving alcohol and food in UCR facilities\)](#) Policy 700-85
- [Travel Rate Reimbursement, Expense Rates, and Process](#) Policy 900-20

VI. FREQUENTLY ASKED QUESTIONS

Q: Can I submit more than one entertainment reimbursement via Epay?

A: One ePay payment request should be submitted per event. For example if an event involves lunch and light refreshments, one Epay payment request should be submitted itemizing the costs of the event. However, if an individual is requesting reimbursement for two different events (for example two separate lunch meetings with prospective employees), two separate Epay requests should be completed.

Q: Can I be reimbursed for alcoholic beverage expenses and are there any limits?

A: Yes, alcoholic beverage expenses can be reimbursed subject to certain limitations. The maximum meal reimbursement rates include food, beverages, tax, service, and delivery charge. Alcoholic beverage expenses cannot be reimbursed from state or federal funds; other fund sources may also have restrictions on alcohol. Consult [UCR Campus Policy and Procedure 700-60](#) on the sale, serving, and consumption of alcoholic beverages on campus.

Q: My UC colleagues and I are attending a conference at another location; can I pick up the tab for dinner and be reimbursed?

A: University employees **should not** serve as host for other University employees who are also on travel status with applicable meal allowance. Each UC traveler should pay for his/her own meals and request reimbursement on their respective travel expense vouchers.

Q: Can I be reimbursed for refreshments at my weekly staff meeting?

A: Business meals that are frequent or occur on a routine basis are treated by the IRS as taxable income and therefore are not reimbursable under University policy.

Q: How are meals handled when a prospective employee is visiting the campus?

A: When a meal is provided to a prospective appointee who is also eligible for travel subsistence from the University, care should be taken to ensure that the interviewee **does not** claim reimbursement on the travel voucher for that same meal.

Q: Does our campus have more restrictive reimbursement rates than those in university-wide UC policy?

A: No, UCR's reimbursement rates are the same as those in the UC policy.