

UC Davis Policy and Procedure Manual

Chapter 330, Financial Management and Services

Section 80, Entertainment and Hospitality with University-Controlled Funds

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Responsible Department: Accounting and Financial Services

Source Document: Business and Finance Bulletin BUS-79, Expenditures for Entertainment, Business Meetings, and Other Occasions

[Exhibit A, Rates for Entertainment](#)

[Exhibit B, Declaration of Missing Receipt](#)

I. Purpose

This section outlines policy and procedures governing the manner and extent to which the University may extend hospitality for business purposes. Additional regulations for UCDHS departments are available in UCDHS Hospital Policies and Procedures Section 1833.

II. Definitions

Additional information and definitions of terms used in this policy can be found in UC Business and Finance Bulletin BUS-79.

- A. Event coordinator—the individual responsible for ordering the supplies/food for an event in support of the official host.
- B. Official host— a University employee or other individual who is the University’s representative at an official business meeting, entertainment event, or other activity.
 - 1. The host is usually the University employee who holds the highest position within the University among those involved in planning the event.
 - 2. The individual coordinating an event (e.g., making arrangements, ordering food, etc.) is not the host unless he or she is physically present at the event and acting in a capacity as the official host.
- C. Work location—the campus where an employee spends the major portion of work time or returns during work hours following special outside assignments.

III. Policy

- A. Expenses for entertainment and hospitality must be directly related to or associated with the active conduct of official University business (see IV, below).
- B. The expenditure of funds for entertainment or hospitality shall be cost effective and in accordance with the best use of public funds.
- C. Entertainment expenses shall be evaluated based on the importance of the event in terms of the cost that will be incurred, the benefits to be derived, the availability of funds, and available alternatives that would be equally effective in accomplishing the desired objectives.

IV. Allowable and Unallowable Expenses

- A. Entertainment and hospitality expenses are allowable for the following (see UC Business and Finance Bulletin BUS-79 for complete descriptions and definitions):
 - 1. For prospective donors, employees, and student appointees for the purpose of generating goodwill.
 - 2. For visitors, guests, and volunteers when it is necessary to the conduct of official

business.

3. At business meetings within the following parameters.
 - a. Hospitality provided at business meetings must be infrequent (meals averaging no more than once per month for the same group; light refreshments no more than twice per month for the same group) and may not occur on a routine basis.
 - b. The meal must be a working portion of a meeting taking place over an extended period of time and reflected on an agenda or similar documentation.
 - c. Reimbursement shall not be allowed when colleagues from the same work location choose to conduct business over the lunch hour when the business could have been conducted during regular work hours.
 4. On-the-job meals for certain employees required to remain at their work station during meal time.
 5. Certain meals provided to students in support of a University educational program.
- B. The following entertainment and hospitality expenses are allowed with additional approval by an official designated in UCD DA 130, but cannot be charged to state funds (see UC Business and Finance Bulletin BUS-79 for complete descriptions and definitions):
1. Employee morale-building activities.
 2. Tickets to a sporting, theatrical, or musical event furnished to a prospective donor or employee.
 3. Entertainment or hospitality expenses for the spouse/domestic partner of a guest or official host when attendance of the spouse/domestic partner serves a bona fide business purpose.
 4. Cash contributions included in a fundraiser or a nonprofit community event fee.
- C. Expenses above the allowable per-person rates (see Exhibit A) may be allowed as an exception to policy.
1. Expenses that are exception to policy must be approved by an official designated in UCD DA 130.
 2. Expenses in excess of 200% of the allowable per-person limits must be approved by the Chancellor.
 3. Exceptional entertainment expenses cannot be charged to state funds.
- D. The following expenses are never allowable:
1. Expenses that are lavish or extravagant under the circumstances.
 2. Expenses that represent taxable income to an employee or student under IRS regulations.
 3. Monetary contributions to a political campaign or candidate.
 4. Expenses for employee birthdays, weddings, anniversaries; or farewell gatherings for employees with less than 5 years of service.
 5. The purchase of property or services for non-business reasons.
 6. Expenditures using restricted funds that are not permitted under the terms governing those funds.

V. Approval Authority

- A. Department heads must approve entertainment expenses that fall within the list of allowable

events (see IV.A, above) and per-person spending limits (see Exhibit A). This authority generally should not be redelegated (see Section 330-10 for restrictions on reassigning approval authority).

- B. Department heads cannot approve their own entertainment expenses. If the department head is the official host, the individual to whom he/she directly reports must approve the entertainment expense.
- C. Additional approvals and approvals for exceptions must be secured as described in IV.B-C, above.

VI. Roles and Responsibilities

- A. The Official Host is responsible for:
 - 1. Verifying that the expenditure is the best choice among the alternatives available to achieve the desired business objective.
 - 2. Securing any advance approvals required by the hosting department for the event.
 - 3. Reimbursing any expenses charged to the University that are later disapproved by the department head/authorized approver.
- B. The Entertainment Expense report preparer is responsible for:
 - 1. Verifying that all parts of the report are completed.
 - 2. Verifying that appropriate supporting documentation is submitted for review.
 - 3. Verifying that the business purpose of the entertainment is adequately described.
- C. The account manager is responsible for:
 - 1. Verifying that the expense is allowable under the fund source.
 - 2. Verifying that funds are available for the expense.
- D. The Department Head/Authorized Approver is responsible for:
 - 1. Determining if the cost is reasonable, cost effective, and is the best use of public funds.
 - 2. Determining that the expense supports the mission of the University.
 - 3. Verifying the legitimacy of the business purpose for the expenditure.
 - 4. Disapproving any reimbursement requests that do not meet the requirements of this policy.

VII. Procedures

- A. Electronic report submission (MyTravel)

Reports for payments due to individuals, corporate cards, or University Catering shall be submitted through the MyTravel electronic system only.

 - 1. Complete the entertainment expense report online.
 - a. Verify that all expenses are allowable by the fund source.
 - b. Clearly describe the business purpose of the event—avoid acronyms and one word descriptions.
 - c. If the event requires additional approval or an exception to policy, clearly describe the justification for the expense in the comments section of the form. Exception requests must explain why business objectives cannot be accomplished within the allowable rates.

2. Print the receipt fax cover page and compile the following supporting documentation:
 - a. An attendee list that provides the name, title, and occupation or group name of each guest.
 - 1) If the event is an open invitation and it was not practical to compile an attendee list, include the invitation/flyer for the event.
 - 2) If the attendee list is less than 10 people, the names can be listed on the report.
 - b. Itemized receipts for expenses over \$75.
 - 1) If the receipt is lost or missing, every effort must be made to obtain a copy.
 - 2) If a copy cannot be obtained, complete the Declaration of Missing Receipts form, available through the View or Print Report link in MyTravel.
 - c. For expenses related to a business meeting, the agenda or equivalent written document that verifies the business purpose of the meal.
3. If the report is prepared by someone other than the official host, the host shall sign the report through adhoc routing approval or by printing the report and signing.
4. Fax the cover page and required documentation as instructed on the cover page.
5. Electronically submit the report for automatic routing to the authorized approver.
Reports requiring additional or exceptional approval will be automatically routed as appropriate.

B. Paper form submission (EEV)

Reports for payment to vendors (e.g., conference rooms, restaurants) shall be submitted on a paper EEV. All other reports must be submitted via electronic submission.

1. Complete the Request for Payment—Entertainment Expense Voucher (EEV), available at the Accounting and Financial Services Web site.
 - a. Verify that all expenses are allowable by the fund source.
 - b. Clearly describe the business purpose of the event—avoid acronyms and one word descriptions.
2. Complete a DaFIS EEV document and indicate the document number on the EEV form.
3. Attach the following supporting documentation to the completed form:
 - a. An attendee list that provides the name, title, and occupation or group name of each guest.
 - 1) If the event is an open invitation and it was not practical to take an attendee list, include the invitation/flyer for the event.
 - 2) If the attendee list is less than 10 people, the names can be listed on the report.
 - b. Itemized receipts for expenses over \$75.
 - 1) If the receipt is lost or missing, every effort must be made to obtain a copy.
 - 2) If a copy cannot be obtained, complete the Declaration of Missing Receipts form (Exhibit B).
 - c. For expenses related to a business meeting, the agenda or equivalent written document that verifies the business purpose of the meal.
 - d. For expenses requiring additional or exceptional approval, email granting the

approval.

- 1) Approval shall be requested, via email, from the appropriate official designated in UCD DA 130 prior to submitting the completed EEV.
 - 2) The subject line of the email shall state "Additional Approval Required" or "Request for Exception to Policy" as appropriate.
 - 3) Requests for exceptions shall explain why business objectives cannot be accomplished within the allowable rates.
4. Secure the signature of the official host on the EEV and route to the authorized approver.
 5. Submit the approved EEV and supporting documentation to Accounts Payable for processing.
- C. Entertainment expenses while on travel status
1. Legitimate entertainment expenses incurred while on travel status shall be claimed through the procedures described within this policy section.
 2. A separate electronic report or EEV shall be submitted to ensure proper separation and reimbursement of expenses. Please cross reference multiple reports related to the same event.

VIII. Alcoholic Beverages

- A. Serving alcoholic beverages at a University sponsored event requires a UCD Permit to Serve Alcoholic Beverages (see Section 270-21).
- B. Expenditures for alcoholic beverages cannot be charged to state or federal funds.
- C. Nonalcoholic beverages and food must be made available during the time alcohol is served.

IX. Further Information

- A. Information regarding quantity purchases, funding source restrictions, and tax considerations is available in Business and Finance Bulletin BUS-79.
- B. Questions should be directed to the Associate Vice Chancellor—Finance/Controller, Accounting and Financial Services.

X. References and Related Policies

- A. UC Business and Finance Bulletins (<http://www.ucop.edu/ucophome/policies/bfb/>):
 1. BUS-79, Expenditures for Entertainment, Business Meetings, and Other Occasions.
 2. G-28, Policy and Regulations Governing Travel.
- B. UCD Policy and Procedure Manual (<http://manuals.ucdavis.edu/PPM/about.htm>):
 1. Section 270-20, Use and Reservation of University Properties and Event Arrangements.
 2. Section 270-21, Consumption of Alcoholic Beverages.
 3. Section 300-12, Travel Policy—General.
 4. Section 300-19, Subsistence Expenses—General.
 5. Section 330-10, Approval Authorization.