



Table of Contents

Section 1: Policy Statement and Purpose.....2
Section 2: Payment2
Section 3: Meals.....2
Section 4: Entertainment4
Section 5: Ethical Practices5
Section 6: Enforcement5

SECTION 1: POLICY STATEMENT AND PURPOSE

This policy outlines best practices and responsible expenditures for University-related meals and entertainment. This policy applies to all expenses as described in this document regardless of the department or type of funding supporting the expenses.

This policy is intended to:

- Ensure that the University and individual are in compliance with IRS regulations that define non-taxable, reimbursable expenses;
- Enable the University to protect its reputation and non-profit status by avoiding excessive or inappropriate spending;
- Ensure that meals and entertainment charged to sponsored projects conform to the regulations and restrictions placed on the use of the funds by the sponsor; and
- Provide budget managers with resources and guidelines to control how their budgets are expended.

Individuals within the University community are expected to act as stewards of University funds when making purchases. Responsible and ethical expenditure of University funds requires the proper consideration of price, quality, reliability, and compliance with donor and sponsor requirements. To this end, Drury University will incur or reimburse expenses that are:

- For a University business purpose;
- Reasonable and necessary;
- Aligned with Drury University's best business practices;
- Properly documented, approved, and submitted; and
- Compliant with federal, state, and local laws.

This policy applies to all University personnel and students. Non-University personnel seeking reimbursement or coverage of meals and/or entertainment expenses must also comply with this policy.

NOTE: Some University departments have instituted more restrictive policies for purchases described in this policy. Additionally, some grants and donor agreements include more restrictive policies. In cases in which there is a discrepancy between this policy and a department, granting agency, or donor policy, the more restrictive policy will apply. Additional stipulations apply to student travel and student organizations (see Section 3H, Student Travel, below).

SECTION 2: PAYMENT

- A. All meal and entertainment expenses must be paid by University credit card to the fullest extent possible.
- B. Payment of an invoice through Accounts Payable is the University's next preference.
- C. Only if these methods are not optional may an individual use personal funds and seek reimbursement from the University.

SECTION 3: MEALS

- A. Business Meal Criteria
 1. University funds may be used for meals **only** when there is a clear business purpose related to carrying out the mission of the University. Given the indirect nature of these expenditures relative to the

University's core educational mission, use of University funds for meals increases the need for effective and conservative management. When using funds for meals, individuals should consider cost, availability of funds, and availability of alternative activities.

2. IRS regulations state that business meals "must directly precede or follow substantial and bonafide business discussion for the purpose of obtaining income or other specific trade or business benefit" (PUB 423, page 25).
3. The University will pay or reimburse for business meals only if they meet at least one of the following criteria:
 - a. The meal is consumed by an individual while away from the University on approved business travel.
 - b. Entertainment of vendors, alumni, or prospective donors to establish or improve business relationships dependent on personal interaction.
 - 1) When dining with vendors, individuals must take care to avoid giving the appearance to other vendors of impaired impartiality.
 - c. Recruitment of new personnel or prospective students when meeting over a meal time and focused discussion of University business takes place.
 - d. Special retreats or workshops (see Section 4B below).
4. Except in rare cases (e.g., freshman orientation), all business meals should take place on campus, in a restaurant, or similar establishment. In general, meals at an individual's personal residence are considered social in nature and are not payable or reimbursable by the University.

B. Business Meal Costs

1. The University expects individuals to incur meal expenses as reasonably and frugally as they would if the individual were paying for their own meals.
2. Whenever possible and reasonable, individuals are expected to take advantage of complimentary meals provided by their hotel, conference, etc.
3. The University does not use a per diem. Instead, meals are paid on an actual basis.
4. During general business travel, the University will pay for up to three (3) meals per day as follows:
 - a. Breakfast: Up to \$15
 - b. Lunch: Up to \$16
 - c. Dinner: Up to \$28
 - d. All additional snacks, beverages (including soft drinks, coffees, bottled water, etc.), and incidentals are the expense of the individual.
 - e. Meal costs in excess of the thresholds above must be approved by the individual's supervising vice president/executive director.
 - f. Meal costs in excess of the thresholds above without supervisor approval will be billed to the individual or will not be reimbursed to the individual.
5. It is understood that meals related to networking with donors and the like may be more expensive than general business meals. Employees should make every effort to keep such expenses to a reasonable level. In general, *employee expenses* at such meals should not exceed \$50 per person.
6. During meals related to the recruitment of new personnel, employee meals should meet the thresholds above; prospective employee meals should not exceed \$50 per person.
7. In general, University-funded food for retreats/workshops should be limited to light refreshments and/or non-alcoholic beverages.
 - a. Meals may be provided for events that are irregular in nature and held over a mealtime where it would be expected to provide a meal as part of the day's agenda.

- b. The cost of all food used at a retreat should not exceed \$15 per person per day.
 - 8. Infrequent employee celebrations by departments are appropriate with \$15/person as a reasonable maximum.
 - 9. End-of-semester student celebrations may be appropriate with \$10/person as a reasonable maximum.
 - 10. The University will pay/reimburse tips/gratuities on meals of up to 20%.
- C. Business Meal Documentation
- 1. Individuals must submit documentation for each meal expense incurred. Documentation for the meal must include:
 - a. Both the itemized and tip receipts,
 - b. Business purpose,
 - c. Date,
 - d. Location, and
 - e. The number of attendees.
- D. Alcoholic Beverages
- 1. The consumption and purchase of alcohol in the course of University business must conform to policy 404.002P: Alcohol at Meals and Social Events.
 - 2. Employees are expected to conduct themselves responsibly and lawfully in the course of conducting University business.
 - 3. Extra precautions must be taken when students are present. Consumption of alcohol in the presence of minor-aged undergraduate students is discouraged strongly.
 - 4. The University will pay the reasonable costs of alcoholic beverages consumed or purchased while conducting approved University business, during reasonable business hours, in conjunction with necessary business entertainment (e.g., with potential donors), or in the rare case in which alcohol is served at a University-sponsored event.
- E. Business Meals at the Expense of a Vendor
- 1. A business meal may not be paid for by a vendor except in the following situations:
 - a. When individuals authorized to issue purchase orders visit the vendor's business as part of a review of the vendor's capability to service the University or to review a new product or new facilities, or
 - b. When individuals perceive that continuing discussions with a vendor through mealtime has a particular merit, they may continue the meeting at the expense of the vendor or the expense of the authorized employee.
 - 2. Repetitive mealtime meetings with vendors are not appropriate and are discouraged.

SECTION 4: ENTERTAINMENT

- A. In general, entertainment expenses for individuals and/or departments are not considered necessary to University business, and as such, are inappropriate expenses. Exceptions must be approved by the divisional vice president/executive director prior to the purchase.
- B. Student organizations may incur entertainment expenses with departmental or SGA funds within guidelines set by the department or SGA.
 - 1. Student organizations using departmental funds must obtain approval from the department's budget manager prior to any entertainment purchase.

- C. Entertainment acts may be booked for events involving students, alumni, and the community (e.g., Homecoming, Alumni Reunion Weekend, etc.). Additionally, revenue-generating entertainment acts may be booked by the O'Reilly Family Event Center Venue Coordinator.
 - 1. Entertainment acts are a restricted purchase (see policy 405.101P: Purchasing) and must not be booked without approval by the Vice President for Administration.

SECTION 5: ETHICAL PRACTICES

- A. All University employees are governed by the ethical policies outlined in the Faculty Handbook and Staff Policy Handbook.
- B. Additionally, employees making purchases for the University must comply with the principles outlined in policy 405.000P: Standards of Business Conduct.

SECTION 6: ENFORCEMENT

- A. Violation of any portion of this policy may result in disciplinary action, up to and including termination of employment.
- B. Individuals who incur expenses in violation of this policy will be expected to reimburse the University for the amount of the expense. The amount of any unauthorized expense will be added to the individual's University account. Standard terms of payment will apply.
- C. See policy 405.000P: Standards of Business Conduct for more information.