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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 funded by donors or sponsors conform to the regulations and restrictions placed on the use of the funds by the donor or 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.

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 restriction, the more restrictive policy will apply.

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, or if there is a malfunction of a university credit card, may an individual use personal funds and seek reimbursement from the university.
- D. See below for exceptions.

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.

2. When using funds for meals, individuals should consider cost, availability of funds, and availability of alternative activities.
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 during approved business travel outside of the individual's city of work (i.e., outside of the city in which the individual's office is located). In general, individuals commuting within their city of work should not expense meals to the university unless other criteria below also are met.
 - b. Entertainment of students, alumni, prospective donors, community partners, or vendors to improve the student experience or establish 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 mealtime and focused discussion of university business takes place.
 - d. Special retreats or workshops (see below).

B. Business Meal Locale & Procurement

1. To lessen the university's liability and that of other individuals, except in rare cases (e.g., freshman orientation, athletic team retreats), 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.
2. In general, university employees should purchase individual meals from a restaurant or other food service provider. In general, employee purchases of groceries to replace individual meals are not appropriate.
 - a. University employees may purchase food as groceries only when traveling with large groups of students (e.g., athletic team travel, student field trips) or when preparing food for university-sponsored events (e.g., team retreats or similar group activities).
 - b. See below for exceptions related to travel with accommodation with access to meal preparation facilities.
 - c. Exceptions for reasons other than those specified herein must be preapproved in writing by the employee's divisional vice president/executive director. Any such approvals must be attached to the purchase documentation for credit card reconciliation or expense reimbursement.

C. Typical 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. See below for exceptions.
 - a. For business related meals, travel-related or other, the university will pay for up to three (3) meals per day as follows (amounts below to include meal gratuities and/or any other applicable fees):
 - 1) Breakfast: Up to \$22
 - 2) Lunch: Up to \$23

- 3) Dinner: Up to \$38
- b. All additional snacks, beverages (including soft drinks, coffees, bottled water, etc.), and incidentals are the expense of the individual.
- c. Meal costs in excess of the thresholds above should be an irregular occurrence, must be used for the furtherance of the university's mission, and **must be approved in advance, in writing**, by the individual's divisional vice president/executive director (e.g., dining with donors, candidates, community leaders).
 - 1) Approval to exceed the meal allowance must be attached to the meal receipt when submitting documentation for credit card reconciliation or expense report approval.
 - 2) Meal costs in excess of the thresholds above without prior approval will be billed to the individual's personal account or will not be reimbursed to the individual.
- 4. In general, university-funded food for infrequent 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.
- 5. The university will pay/reimburse tips/gratuities on meals of up to 20%. University personnel and students should always tip food-service providers.
- D. Per Diem Meal Coverage for University Travel Meals When Staying in Accommodation with Personal Access to Meal Preparation Facilities
 - 1. Within the guidelines and required preapproval as stipulated in 405.103P: Travel Expenses, employees may, at times, make use of travel accommodation that features a kitchen or other meal preparation facilities (e.g., apartments leased for long term international travel). In such instances, it is likely more cost effective and/or desirable for the employees to prepare meals from groceries rather than purchasing individual meals on a regular basis. As such, with written approval from the employee's divisional vice president/executive director, employees instead may apply for a per diem amount to cover meals for the length of their business travel.
 - 2. Prior to departure, employees planning to stay in accommodation with personal access to meal preparation facilities must submit to their divisional vice president/executive director a summary of the travel, affiliated employee(s), and proposed travel expense budget, including all meal costs.
 - a. From the proposed budget, the divisional vice president/executive director and traveling employee(s) must agree, in writing, upon a set per diem amount for use by each employee participating in the travel.
 - 1) Typically, the university will pay a per diem of 40% of the estimated daily cost of food in the travel-specific country and region based on the U.S. Department of State's Foreign Per Diem Rates by Location (DSSR 925) for meal and incidental expenses.
 - b. Each traveling employee must submit to Accounts Payable form 405.201F1: Check Request for the total amount of per diem necessary for the trip (i.e., amount per day x number of days traveling).
 - 1) A copy of the approved budget and per diem allowance must be attached to 405.201F1: Check Request.
 - 2) This form must be submitted to Accounts Payable no less than one (1) month prior to the employee's departure.
 - 3) A copy of any per diem approval must be submitted also to Administrative Services in order that the office may cross when processing credit card statements.
 - c. Upon receipt of the check for per diem allowance, the employee should deposit the funds into a personal financial account.
 - d. When making purchases with per diem funds, the employee(s) must use personal payment methods. Use of university credit cards for such purchases is prohibited.

- e. When in receipt of per diem funds, it is expected that all of the employee's meals will be purchased separately from any meals purchased for student participants or other meal participants (i.e., no employee expenses may be paid for with university funds).
 - f. No receipts/purchase documentation shall be required for purchases made using per diem funds.
 - 3. The per diem meal stipulation is not intended for use during short-term trips with students (e.g., field trips, athletic match travel, etc.) or short-term employee travel (e.g., conferences, site visits, etc.).
- E. 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.
 - 1) For large meals/banquets, individuals may give an estimated headcount or provide the number of persons for which food was ordered.
- F. Alcoholic Beverages
- 1. When preapproved by the purchaser's divisional vice president/executive director, 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.
 - 2. The consumption and purchase of alcohol in the course of university business must conform to 404.002P: Alcohol at Meals and Social Events.
 - 3. In order to lessen the university's liability and that of other individuals, individuals are prohibited from purchasing alcohol at stores to supply events or for individual consumption. Alcohol must be purchased from and served by a restaurant, licensed catering/food service provider, or trained bar service provider. Exceptions to this requirement must be preapproved, in writing, by the Chief Financial Officer, and a copy of this approval attached with the purchase receipt/documentation for credit card reconciliation or expense reimbursement.
 - 4. Employees are expected to conduct themselves professionally, responsibly, and lawfully in the course of conducting university business.
 - 5. Extra precautions must be taken when students are present. Consumption of alcohol in the presence of minor-aged undergraduate students is discouraged strongly.
- G. 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. In such an instance, the meeting may be continued 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 employee or department's divisional vice president/executive director prior to the purchase. The approval for such purchases must be attached to the receipt/purchase documentation for credit card reconciliation or expense reimbursement.
- 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.).
 - 1. Entertainment acts are a restricted purchase and must be contracted in accordance with 405.101P: Purchasing.

SECTION 5: ETHICAL PRACTICES

- A. All university employees are governed by the ethical policies outlined in the *Community Standards Handbook*, *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 by individuals may result in disciplinary action, up to and including suspension or termination of employment, enrollment, or association with the university; civil penalties and/or criminal prosecution also may be applied.
- B. Attempts to circumvent this policy and other related purchasing policies will inhibit an individual's ability to make purchases on behalf of the university and may result in other disciplinary action, up to and including termination of employment or enrollment.
- C. Individuals who incur expenses in violation of this policy may be expected to reimburse the university for the expense. In such cases, the amount of the identified unauthorized expense will be added to the individual's university account. Standard terms of payment will apply.