Cockrell School of Engineering Official Occasions and Entertainment Expenses Policy

Introduction

This policy covers the requirements and procedures to be followed for the funding, payment, or reimbursement of all official occasions expenses including flowers, business meals, receptions, catered meals, and refreshments. These policies have been developed to assist faculty and staff as responsible stewards of Cockrell School funds. In most cases, these policies and procedures are dictated by university and/or State rules.

For the purpose of this document, an “official occasion” is defined as a reception, dinner, luncheon, or similar event that is funded by the Cockrell School of Engineering. These functions are normally associated with special programs, university guests, or faculty and staff recruitment. Examples include conferences/workshops/seminars, development events (donor receptions, fundraising activities, etc.), planned retreats, staff meetings, unit or department morale building events, and other similar activities.

Administrative/Business meetings generally involve two or more people, must include a university employee, are agenda driven, and directly concern university business. Business meeting expenses may be reimbursed if the meal or light refreshment is an integral part of the meeting, not a matter of personal convenience, and the meeting time encompasses a regular meal time and could not otherwise be scheduled during regular working hours. University funds should not be used for social lunches between two or more university employees.

Entertainment Activities

Entertainment activities as official occasions are separated into the following three categories:

1. Workshop, Seminar, Conference or Class (Object Code: 1347): Cost of food, beverages and related expenses associated with conferences, workshops, seminars, and contract and grant programs. Payments to speakers, travel costs for speakers, and participant support fees are not included.

2. Business Meetings (Object Code: 1347): Cost of food, beverages and related expenses for working business meetings, luncheons and dinners; faculty and staff retreats; staff meetings; faculty/staff recruitment functions; and similar university business activities associated with conducting the school’s business. Also included are receptions, lunches, and events hosted by an administrative officer of the school
3. Official Student Occasions (Object Code: 1309): All current UT student entertainment activities must be coded 1309 regardless of the account being used for payment.

Pre-Approval of Official Occasions Expenses

Pre-approval must be obtained from the Dean or Assistant Dean for Business Affairs using the Official Occasion Expense Form (OOEF) in the following situations:

- Any proposed event with a projected cost of $3,000 or above
- Official Occasion expense from a UT Service Center (i.e. – Texas Union, The Carillon, etc.)
- Primary Official Occasion expenses are alcohol (alcohol costs exceed food costs)
- Official Occasion will exceed average cost of $75/person

Send Official Occasion Expense Form for pre-approval to the Business Affairs Office. Instructions for submitting OOEF for pre-approval should be followed to ensure proper signature.

Alcohol in Campus Facilities: Advance approval by an approved Cockrell School delegate is required to serve alcohol in campus facilities, including leased spaces. This approval must be submitted with the Official Occasion Expense Form. Vouchers will be rejected if the prior approval has not been obtained. Refer to the Provost’s Office website for guidelines and instructions for submitting an exception request. (https://provost.utexas.edu/policies-and-compliance/serving-alcohol-on-campus)

Meals

Payment for meals is reimbursed only for official visitors, including prospective faculty and invited lecturers, and other official occasions as defined above. The Cockrell School has established the following average per-person reimbursement limits for meals. Departments may establish lower reimbursement limits. The meal limits include tax and tip (up to 20% of the bill subtotal before sales tax) regardless of account used for payment. Tax is not reimbursable for take-out or catered events. In such cases, a University of Texas Tax Exempt form must be given to the vendor.

Meal limits per person:

- Breakfast $25/person
- Lunch $30/person
- Dinner/Reception $75/person
Expenses for alcohol may not be the primary expenditure submitted for reimbursement, that is, greater than 50% of the total expense before tax and tip. In general, alcohol only expenses will not be reimbursed except in development meetings with donors or prospective donors. The justification for alcohol only reimbursement must be documented on the Official Occasion Expense Form and requires the approval of the Dean of Engineering.

Payment for meals and entertainment of each prospective faculty candidate should not exceed $1,000 per visit.

Attendees at faculty recruiting meals should be limited to the number who can reasonably interact with the faculty candidate. For example, meals generally should involve no more than four people (the candidate and three faculty members) or a total of six people if inclusion of spouses is justified (the candidate and spouse, two faculty members and spouses).

Reimbursement for spouses or guests at a business meeting or meal is almost always not appropriate. There are special circumstances that allow reimbursement, such as during recruiting visits, provided the faculty recruit brings his/her own spouse or guest. Discussion of special circumstances beforehand with the Assistant Dean for Business Affairs is recommended. Reimbursements for children are not appropriate, except for justified development purposes.

Reimbursement for alcohol is not allowed on any student recruiting visits except for department events during organized graduate student recruiting visits.

Meals with colleagues and/or staff are almost always not reimbursable expenses. However, there may be special circumstances that justify reimbursement. For example, if a meeting must occur during the lunch hour because the conflicting schedules of the participants prevent the meeting at any other times, this expense is reimbursable.

Other Official Occasions Expenses

*Club memberships* charged to the school’s accounts require advance approval from UT’s administrative officers. Advance approval by the Dean of Engineering is required for club memberships for academic and administrative employees. Club initiation fees and monthly fees must be paid as a personal expense unless the membership is used strictly for business purposes. If the membership fee is to be paid using CSE funds, the membership should be paid on a VP2 document. Only the entertainment expense should be paid on a VPE (entertainment document). Monthly statements should be reviewed for inadvertent personal charges, which must be paid by the individual.

*Flowers* sent by a department or office to honor the deceased or congratulatory occasions for other University related purposes may be charged to unrestricted gift accounts only. Expenditures from faculty endowment accounts, scholarship accounts, and other restricted...
accounts are NOT authorized for flowers. The maximum allowable expense is $100 including delivery.

*Holiday cards* issued in the name of a department or any office may be charged to unrestricted gift accounts only.

*Alcohol* is NOT allowed for undergraduate student events and is never allowed on fee accounts.

Refer to the appended UT Expenditure Policy Chart for items not cited above.

### Account Numbers for Official Occasions Expenses

Payments for meals, refreshments, and related items may be charged only to unrestricted gift accounts, or accounts specifically budgeted for official occasions, with the following exceptions:

- Sponsored Research Funds (26-accounts) may be used with documented advance approval by the sponsor.

- Continuing education programs and conferences (19-accounts) may include meals and refreshments if included in the program budget.

- Faculty Endowment Accounts (30-accounts) may be appropriate to use for official occasions. However, the use of faculty endowment discretionary funds for this purpose should not become routine.

- Entertainment expenses paid on Student Fee Accounts must only be for Official UT-Student Occasions.

### Reimbursement Procedures

As a general rule, the host must be employed by UT at the time costs are incurred. To request reimbursement, an entertainment voucher (VPE) must be prepared, with all claimed expenses supported by original itemized receipts with proof of payment. The approved Official Occasion Expense Form (OOEF) must be submitted with the payment voucher (VPE).

In order to substantiate the expenditures as a business event and prevent a personal tax liability for these events, the date, location, participants’ names, titles, affiliation with UT, purpose of the meeting, benefit to the university, and average cost per person must all be documented on the OOEF.

On the OOEF, if more than ten (10) participants are involved, a general description and approximate number of people in attendance must be stated. For example: “Alumni of the Cockrell School were invited to an annual BBQ reception; approximately 350 are expected to
Due to Internal Revenue Service (IRS) regulations and the Safe Harbor rules, employee reimbursement expenses older than 60 days require a written explanation as to the reasons for the lateness. These late reimbursement requests will also require the approval of the Chairperson/Director and may be disallowed entirely or reported as taxable income to the payee.

**Business Travel Entertainment**

Entertainment expenses may be incurred while traveling on official university business. The travel section of the *Handbook of Business Procedures (11.5.2) – Meals & Lodging* states: ‘If meal expenses exceed $51 per day, itemized meals receipts and an explanation will be required.’

If meal receipts are not provided for the travel reimbursement, the traveler’s meals cannot exceed $51 in a given day between entertainment reimbursement (VPE) and travel reimbursement (VP5).

If meal receipts are not provided for the travel reimbursement, but average cost per person (ACPP) on entertainment reimbursement exceeds $51, the traveler can be reimbursed up to the ACPP amount between entertainment reimbursement (VPE) and travel reimbursement (VP5).

**Direct Billing**

A number of catering companies direct-bill the University for food and services. For example, the Texas Union and The Carillon (at the AT&T Center) routinely charge Cockrell School accounts for events, which require similar documentation. Since the Texas Union will charge our accounts directly, a copy of the approved OOEF signed by the Assistant Dean for Business Affairs must be submitted to the Texas Union prior to the event. This process should be followed when using any UT department/facility that uses the interdepartmental transfer process.

An OOEF approved by authorized staff must accompany every reimbursement or payment request.

**Conclusion**

If the appropriateness of the expenditures(s) using University funds is ever in question, please contact the Assistant Dean for Business Affairs at 471-4022 for clarification *before* a purchase is made.