

Department of Psychiatry: FY 24-25 UF Business Entertainment Policy

The Chief Financial Officer and University Controller have created an expenditure policy for business expenses related to hosted business meals, University functions, and entertainment to update the existing University Disbursements directives. The goal of this policy is to provide guidelines to ensure the business purposes of entertainment, hospitality and recognition are reasonable, and to set clear limitations for expenses.

The entire policy can be found at: <http://www.fa.ufl.edu/directives/entertainment/>.

Please contact Psych-Fiscal@ad.ufl.edu with any questions or for more information. Thank you.

Proper stewardship of University funds is an obligation of all faculty and staff. All expenditures must also comply with additional restrictions of the fund type (i.e. donor intent, research contract, etc.). All those seeking reimbursement or paying for such services are responsible for reading and complying with all applicable University policies and directives.

A clear business purpose must exist when expending any University funds. To ensure that resources are being used appropriately and that we are being good stewards of the funds entrusted to us consider these questions:

1. Is the expenditure in line with the guidance provided in this document?
 - If not, is there a good explanation as to why the expenditure is appropriate?
 - Has it been adequately documented?
2. Could the amount spent be defended under public scrutiny?
 - Would you be free from worry if the expense was selected for audit?

Definition of Business Purpose

A business purpose is defined as one that supports or advances the goals, objectives, and mission of the University; the expense must be a necessary, reasonable, and appropriate business expense for the University.

Every expenditure transaction must be supported by a bona-fide business purpose and attached list of attendees.

Required Approvals and Payment

To ensure proper internal controls for expenditures related to business meals, University functions or entertainment, **the authorized approver must be the supervisor (or higher level) of the employee requesting reimbursement or paying for such expenses. An individual may not approve the reimbursement of expenses for a person to whom he/she directly reports.**

When multiple employees from the hosting department or unit are present, the most senior position from the hosting department should pay.

Note: If expense reimbursements are not submitted and approved within 60 days, the amount ultimately paid to the employee will be included in the employee's annual W-2 as taxable income.

Travel

Note that the directive described in this document does not pertain to typical meals during travel. Daily meal allowances during travel for non-business meals (not meeting the criteria below) are governed by Florida Statute sec. 112.061 and can be found in the <https://cfo.ufl.edu/initiatives/uf-go/travel/directives/>. If a "business meal" takes place during travel, reimbursement will be at the limits defined below.

Business Meals

The University may pay or reimburse for properly documented meals whose primary purpose is a business discussion. "Properly documented" consists of, at minimum, **an itemized receipt and list of attendees**. Under this directive, expenses (excluding gratuity and tax) associated with **business breakfasts or business lunches are limited to \$30.00 and \$50.00 per person, respectively**. Expenses (excluding gratuity and tax) associated with **business dinners are limited to \$125.00 per person**. If prevailing market conditions in a city (based on GSA rates) exceed these limits, an exception may be approved by the appropriate dean or vice president.

Based on state guidelines, **gratuities should not exceed 20% of the bill subtotal before tax**. In some cases, tips on meals may exceed 20% where there is an automatic gratuity charged by the venue.

To qualify as a business meal under this policy:

1. Generally, **attendees should include at least one non-University employee and only whose presence is necessary to the business discussion**.
2. Meetings of **two or more** University employees, will only be paid or reimbursed if the following three criteria are met:
 - Meetings must be held infrequently
 - The meeting is agenda driven and directly concerned with the business of the University
 - The meeting time encompasses a regular mealtime and could not otherwise be scheduled during regular working hours.
3. Expenses may be incurred only for those individuals whose presence is necessary to the business discussion.
4. **The University will not pay or reimburse business meal expenses that lack documentation or a clear business purpose.**
5. Meetings and/or gatherings that are primarily social in nature do not qualify for payment or reimbursement as business meals, no matter the attendees.

Business Meal expenses exceeding the limits above require approval per the requirements in the "Exceptions" section below.

Entertainment

The University may pay or reimburse expenditures relating to entertainment when the purpose is:

1. Fundraising
2. Promotion of the University
3. Entertainment for guests of the University by designated University officials
 - For purposes of this policy, "designated University officials" includes deans, vice presidents, development officers, senior administrators and other employees who have been specifically asked to serve in a host capacity.
4. Cultivating a donor/prospect or engaging alumni

Examples of entertainment expenditures include food, beverages, admission charges, flowers, and other miscellaneous expenses. These expenses must be reasonable, prudent, appropriate to the occasion, and consistent with the University's mission.

Entertainment expenses **should not exceed \$125 per person (excluding tax and gratuities)**. The cost should be appropriate for the type of meal or event, and this limit applies to all venues including restaurant expenses and entertainment at private residences.

Based on state guidelines, **gratuities should not exceed 20% of the bill subtotal before tax**. In some cases, tips on meals may exceed 20% where there is an automatic gratuity charged by the venue.

Entertainment expenses exceeding the \$125 limitation require additional justification as to the potential benefit to the University, following the requirements in the “Exceptions” section below.

Alcohol

The limitation for **expenditures is 30% alcohol and 70% food**, of the total bill, prior to tax and gratuity, unless meeting a donor, prospect, or other guest for a “drinks only” meeting. In this situation, every effort must be made to stay within the entertainment expenditure limit of \$75 per person.

Ancillary fees related to serving alcohol (e.g. corkage fees) are considered an extension of serving alcohol and are only allowed if the total cost of the alcohol and ancillary fees are within the limits established in this directive.

Note: If multiple payment documents are submitted for the same event and alcohol is paid separately, then a copy of all documentation related to the event must be included to verify that alcohol is not greater than 30% of the total.

Employees of the University of Florida are expected to be good stewards of University funds. As such, University leadership reserves the right to deny payment or reimbursement of excessive expenditures.

Serving alcohol at non-licensed venues (including a private residence)

University funds generally may not be used for expenses associated with alcoholic beverage service unless the alcohol is purchased from and served by a licensed caterer or restaurant.

An exception may be made for off-campus events at **department/unit or college representatives’ homes** at which **only beer and wine are served**. All other alcohol rules must be followed, including the reasonable expenditure guidelines detailed above.

1. All pertinent laws, rules, and University policies regarding alcoholic beverages must be observed
2. The area where the alcohol is being served should be monitored to ensure that only invited guests participate in the event

More than two of these in a year are considered an exception, subject to the requirements in the “Exceptions” section below.

Business Meal Expenses for Spouses, Partners and Family

In order to avoid even the appearance of impropriety, **business meals** for spouses, partners, and other family members of employees are generally not allowed. **A spouse, partner or family member’s meal may be allowed if he or she has a significant role in the success of the event and constitutes a bona-fide business purpose. The presence of the spouse, partner or family member must be essential, and not just beneficial, to the employee’s ability to carry out a business purpose for the University.**

Examples of scenarios in which an employee spouse, partner or family member could be serving a University business purpose:

1. Spouse or partner of a dean when meeting alumni or engaging in fund-raising events
2. The spouse, partner or family member of an employee hosting a visiting lecturer who travels to the University to make a presentation at which the visiting lecturer's spouse is present
3. A meal associated with recruitment of a prospective faculty or staff member whose spouse or partner is in attendance
4. A University function held at the employee's home when the spouse or partner participates as a host

The expenditure should include documentation (**e.g. an event or meeting agenda, letter of invitation requesting the presence of spouses or domestic partners, etc.**) to show that the attendance of the spouse, domestic partner, or family member complies with the requirements for expenditure.

As stated in "University Functions," attendance by spouses, partners or family members at holiday or beginning of the academic/fiscal year events is allowed and not subject to the limitations of this section.

Exceptions

Exceptions to the limits or other requirements in this directive require documented justification and approval by the dean or vice president. Official delegates may **not** approve these exceptions. Exceptions for department chairs, deans and vice presidents require additional higher-level approval.

Meals with a Donor or Prospect

If a donor or prospect whose restaurant selection or menu selection results in the bill being more than the allowable limits, submit the reimbursement and indicate that the donor/prospect chose the venue and/or menu items. University employees should still adhere as closely to the allowable limits as practical for your meal selections when this occurs.

If the donor or prospect invites guests, submit the reimbursement and indicate on the receipt the number of attendees invited by the donor or prospect. Generally, donors or prospects should only invite individuals that directly influence the decision to make a gift.