

**University of Oregon Business Affairs Office
Frequently Asked Questions**

Oregon University System (OUS) OUS Fiscal Policy Manual Non-travel Meals, Refreshments and Hospitality Expenses 56.100

As stated in UO Policy Statement – 9.000 Budget Procedures – University of Oregon Expenditure Guidelines, there are three aspects to expenditure approval: programmatic, budgetary and compliance. The OUS Non-travel Meals, Refreshments and Hospitality Expenses Policy 56.100 addressed the compliance aspect of approval. UO staff are additionally responsible for ensuring the university funds are spent in a manner that benefits the university’s mission (programmatic) and is within the constraints of limited resources available (budgetary).

OUS Non-travel Meals, Refreshments and Hospitality Expenses 56.100 policy was effective April 1, 2008. What are the main differences between this new policy and the past practices/policy at the University of Oregon?

The intention of the OUS policy was to clarify, document, and consolidate current OUS system wide policies. A summary of the prior policy sections that were superseded and pulled into the new policy are as follows:

Expense	Current Policy Reference	Prior Policy Reference	Summary	Changes
<i>Alcoholic Beverages</i>	56.100 .220 Hospitality Allowability	FASOM 13.01A[3] Alcoholic Beverages	Still not allowed with institutional funds unless full cost is recovered through charges to the participants.	Explicitly states that the caterer must be approved as a university vendor for insurance and IRS reporting.
<i>Entertainment</i>	56.100 .210 Other Hospitality and Entertainment Costs	FASOM 13.01 E [1] [a] Entertainment	Generally unallowable and not allowed per OMB Circular A-21 – Cost Principles for Educational Institutions for federal indirect cost recoveries.	Identifies the circumstances in which other hospitality and entertainment costs are allowable. Please see policy section .210 for list of exceptions.
<i>Hosting</i>	56.100 .220 Hospitality Allowability	FASOM 13.01 E [1] [b] Hosting Official Groups and Guests	Allowed for specific business purposes.	Removed vague statement that hosting was only allowed when approved by authorized institution personnel and more

				explicitly describes specific activities that are and are not allowable with institutional funds.
<i>Gratuities</i>	56.100 .230 B Gratuities	FASOM 13.01 G [1] [b] Gratuity – Service Charge 13.01 G [1] [c] Gratuity – Hosting Group Meals	Generally allowed up to 15%.	Explicitly states that tips for alcoholic beverages are not reimbursable.
<i>Meals Served at Meetings</i>	56.100 .200 C Employee Meals and Refreshments	FASOM 13.01 M [3] Meals Served at Meetings	Allowed for specific business purposes: a training or workshop, departmental staff retreat, or employee working meal with documented agenda.	The inter-departmental or inter-institutional meeting criteria is eliminated in the current policy.
<i>Refreshments Served at Meetings</i>	56.100 .200 C Employee Meals and Refreshments	FASOM 13.01 R [2] Refreshments Served at Meetings	Allowed for specific business purposes. University funds cannot be used to pay for refreshments for regularly scheduled department meetings.	Removed vague statement that hosting was only allowed when approved by authorized institution personnel and more explicitly describes when refreshments are and are not allowable with institutional funds. Refreshments served at meetings now require a function that lasts at least two hours.

Are UO Foundation funds included in this policy?

The OUS policy does not apply to funds held at the University of Oregon Foundation (UOF) when payment requests are submitted directly to and paid directly by the UOF (.150 definitions). However, the policy does provide guidance about what is considered to be an acceptable business purpose for non-travel meals, refreshments, and hospitality expenses. The policy does apply to all expenditures paid directly by the University of Oregon.

Is the OUS Non-travel Meal, Refreshments and Hospitality Expenses policy definition of university funds in conflict with the University of Oregon Expenditure Guideline Policy?

UO Policy Statement – 9.000 Budget Procedures – University of Oregon Expenditure Guidelines includes all funds available to the university received from internal and external sources, including funds held at the University of Oregon Foundation (UOF) funds. The policy states that all University of Oregon funds may be used for business-related expenses incurred in furtherance of the university’s mission. Because the intent of

this policy is to ensure that all UO expenditures have a business purpose, university funds are defined as broadly as possible.

OUS Non-travel Meals, Refreshments and Hospitality Expenses 56.100 definition does not include payment requests submitted directly to and paid directly by the foundation. However, the policy does provide guidance about what is considered to be an acceptable business purpose for non-travel meals, refreshments, and hospitality expenses. This clause in the OUS policy allows for expenditures that have a business purpose, but are specifically disallowed under state or OUS rules.

Are vending machine funds considered university funds?

Vending machine funds are not considered institutional funds for the purpose of this policy.

Are gatherings for employee retirements covered under this policy?

This policy does not include refreshments for employee recognition (.100). Gatherings for employee retirements are considered service awards under OUS Fiscal Policy Manual 57.200 Employee Recognition Awards, section .150. Under section .200 of the OUS Employee Recognition Awards policy, education and general funds may not be used to provide refreshments or facilities for retirement celebrations. All other university funds may be used for such events if all other restrictions on the funding source are met.

Can food be served at gatherings including both faculty/staff and students?

Under .200A, UO faculty, in the normal conduct of a program/activity, may use university funds to pay for the meals of official guests. Under .150, official guests are non-employees invited to a UO facility or function. In addition, under .200, business-related group functions include student orientation. Meals served at university events that bring faculty and students together may be allowable under this policy if clear benefit to the university's mission is documented. Examples include, but are not limited to, the College Scholars Program, Freshmen Interest Group (FIG), and Faculty Firesides. Other examples of meals for students are travel, self support units, and events funded with incidental fees. See .210 2-5.

Can food be served in for-credit classes?

This is generally disallowed under .220. Certain exceptions are listed under .210.

For purposes of the policy, are graduate teaching fellows (GTFs) considered students or employees?

Application of the policy to GTFs must be appropriate to the GTF's relationship with the UO within the context of the specific meal, refreshment, or hospitality expense.

Is pizza considered a meal or light refreshment?

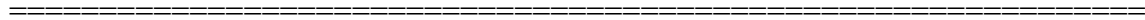
Pizza does not meet the definition of light refreshment under section .150 of the policy and is considered a meal.

When is an employee spouse/partner meal an allowable costs and who makes this determination?

Under .200, employee spouse/partner meals are not normally reimbursable except in the case of job candidates or official guests. Examples include expenditures for spouse/partner meals for job searches where a candidate's spouse will be expected to attend UO functions, or in circumstances where the spouse is expected to attend a donor development or other public events. In these instances, the expenditure must have a clearly documented business purpose and approval.

Can university funds be used to pay for holiday parties?

University funds may not be used to pay for departmental social activities such as celebrating holidays, birthdays, etc. under .220 Hospitality Allowability.



Future policy clarification questions should be directed to Accounts Payable (6-4235) in the Business Affairs Office.