

# Financial Services Manual (FIN)

## FIN 420–02: Business Meals, Food, and Related Expenses

Effective: 4/11/1985

Revised: 11/1/2024

### Purpose

To pay for business meals, food, and related expenses

### Source

University policy

### Applicability

This policy covers all expenditures made for business meals, food, and related expenses (except for employee food charges reimbursed by a Travel Expense Claim form) and includes, but is not limited to, the following:

1. business meals
  2. receptions/banquets/luncheons
  3. food and refreshment at conferences/workshops/seminars
- and
4. food and refreshment supplies

### Policy

Expenditures for business meals, food, and related expenses must be paid from the following sources:

1. unrestricted gift accounts
  2. conference, seminar, and workshop accounts
  3. sponsored accounts, where food and related meals are allowable
  4. New Economy Initiative accounts for expenses that support Science and Technology Centers
- or
5. other local accounts, when the business meals, food, and related expenses are consistent with the purpose of the cost centers

Meals and nonalcoholic beverages should generally cost \$75 or less per person. For meals and nonalcoholic beverages costing more than \$75 per person, special approvals are required (see “Approvals,” below). If the meal cost is anticipated to be more than \$75 per person, then the needed approval should be obtained prior to the meal. (Alcoholic beverages may not be paid for with university funds from any source under any circumstances.)

Gratuity for meals and nonalcoholic beverages should generally not be more than around 15 percent of the total meals, nonalcoholic beverages, and tax. Gratuity is not to exceed 20 percent unless mandatory restaurant or venue fees are applied to a bill. Deduct all alcohol-related costs before calculating the gratuity for reimbursement or payment by ASU.

Service charges that are greater than 20 percent that are part of a contract dealing with food and facilities provided as part of a program are allowable as long as they are within the range of typical service charges provided for those services.

A Business Meals and Related Expense Form is not required for the purchase of beverages that are primarily provided for office visitors, such as coffee, soda, and water.

Since business meals, food and related expenses are often not appropriate on sponsored grants, confer with your Sponsored Projects administrator before making any commitment of funds for this purpose. Business meals, food, and related expenses cannot be charged to sponsored grant, unless specifically authorized by the grant or contract.

General operating funds, unless they are New Economy Initiative funds, cannot be used to pay for business meals, food, and related expenses, regardless of the purpose. General operating funds may be used to reimburse food, but not alcoholic beverages, while in travel status under the following circumstances:

1. ASU staff while in travel status, in accordance with the travel per diem amounts (see [FIN 501](#), "ASU Travel Policy")
2. meal expense reimbursements to interviewees while in travel status for an interviewee's own meals incurred during a visit to ASU, but not the meals of any ASU faculty or staff to have a business meal with the interviewee (see [FIN 421-02](#), "Interviewees")

and

3. meal expense reimbursements to guest lecturers, consultants, and other independent contractors while in travel status, but not the meals of any ASU faculty or staff to have a business meal with a guest lecturer, consultant, or other independent contractor (see [FIN 421-01](#), "Guest Lecturers, Consultants, and Other Independent Contractors")

Reimbursement of food while in travel status is coded to the appropriate travel or expense reimbursement program, but not to the food-related spend categories.

Standard business practice dictates, and the university's internal and external auditors require, certain specified documentation for business meals, food, and related expenses. It is important that the public purpose being served is appropriately documented on the form and/or included on the p-card verification, since public funds are being used. A list of attendees also must be documented on the form. If, however, a large group is present at the event and an attendee list is not available or the number of attendees needs to be estimated for reservations of events spaces, it is acceptable to state the approximate number in attendance and, if known, mention the related ASU departments of affiliation if non-ASU related.

## **No External Party**

If no external party is present at the business meal, i.e., all are ASU employed personnel the public purpose served must be included to support the transaction.

Examples of appropriate food expenses where only ASU employees are in attendance may include:

1. departmental workshop where the group was together over lunch in order to build a cohesive working team
2. appreciation to a group of ASU staff upon successful completion of a special project or in recognition of a commendable accomplishment

and

3. search committee meeting during a mealtime when there is no other time to get the search committee together

An example of an unacceptable utilization of business meals would include frequent lunches for the same two ASU employees who meet often to discuss university business, e.g., several times a month.

## Procedures

### On-Campus Expenses

On-campus business meals, food, and related expenses are defined as business meals or related expenses paid directly by the university to its food service contractor. Business meals at the ASU University Club may be paid with the ASU Purchasing Card (P-Card) or by creating an expense requisition. The P-Card is the preferred method of payment.

### Off-Campus Expenses

Off-campus business meals and related expenses may be charged to the ASU Purchasing Card (P-Card). If the P-Card is used, departments need to maintain a completed [Business Meals and Related Expenses Form](#) and original receipts (itemized when available) in the departmental files or include the relevant information on a business meals form regarding the public purpose served and number of attendees (if applicable) on the p-card verification document. Original receipts are required. Itemized receipts are preferred and may be required in certain circumstances before reimbursement is made. If meals exceed \$75 per person, original itemized receipts or a food service/catering contract are required.

If reimbursement is requested for several business meals, food, and related expenses functions, only one documentation form is required.

However, each of the functions must be listed on an attachment and the information required on the form included on that attachment.

### Approvals

The Business Meals and Related Expenses Form requires the following approval(s):

Expenditure	Approval Required
Meals and nonalcoholic beverages less than \$75 per person	Authorized cost center and/or p-card cost center manager.
Meals and nonalcoholic beverages in excess of \$75 per person	Appropriate dean's or director's signature; if charge incurred by a dean/director, then appropriate provost/vice provost/vice president signature <u>and original itemized receipts</u> .

### Expenses Incurred in Travel Status

Business meals, food, and related expenses incurred while in travel status are reimbursed in accordance with this policy. Business meals, food, and related expenses can be claimed while in travel status when a non-ASU person is being hosted. No travel meal per diems are to be claimed for any meals reimbursed by the filing of a Business Meals and Related Expenses Form.

Expenses for business meals not exceeding \$200 per meal may be claimed on a travel claim along with other travel expenses. Attach the Business Meals and Related Expenses Form to the travel claim, or document all the information from the Business Meals and Related Expenses Form on the travel claim.

### Cross-Reference

For more information on allowed expenses, see [FIN 401-03](#), "Prohibited Transactions."