



ADMINISTRATIVE  
POLICIES AND PROCEDURES MANUAL

DATE ISSUE  
7/31/07

REVISION

PAGE  
E1-190.0

SUBJECT  
ENTERTAINMENT AND OFFICIAL OCCASIONS

SUB-TOPIC  
POLICY AND GUIDELINES

**PURPOSE:**

The purpose of this Administrative Policy and Guidelines is to govern the manner and extent to which funds of The University of Texas at Dallas may be expended for entertainment, memberships, and official occasions expenses, to specify the fund sources that may be used for such purposes, and to provide guidance for the reasonable expenditure of funds for other expenses often related to reimbursement from institutional funds. All expenditures of state and institutional funds must support a public purpose and be cost effective.

**APPLICABILITY:**

This policy applies to all employees of The University of Texas at Dallas.

**DEFINITIONS:**

**Authorized Approver**

A supervisor or higher level person of the host of individual requesting a reimbursement

**Institutional Funds**

Funds (sometimes referred to as "local funds") derived from sources other than State Funds

**State Funds**

Funds appropriated by the General Appropriations Act or the Texas Constitution

**Entertainment Expenses**

Entertainment expenses must be directly related to one or more of the following purposes:

- recognition or promotion of an academic achievement, athletic achievement, scholarship, and/or service to the institution;
- promotion or communication of intellectual ideas and/or exchange of administrative and operational information on institution's programs or activities;
- support of development activities, meetings and visits to build university relationships with prospective donors, volunteer leaders and alumni;
- support of student events and university-sponsored activities;
- recruitment of students, faculty and staff;
- assistance from the Board of Regents, accrediting agencies, officials from other universities and/or public officials inspecting and reviewing university facilities and programs;
- support of a program for continuing education and professional development.

**Official Occasions**

An "official occasion" is defined as a reception, luncheon, dinner, or similar event that is sponsored and funded by The University of Texas at Dallas. Examples include conferences, meetings, planning retreats, staff meetings, and other similar activities. These functions are normally associated with special programs, conferences, recruitment activities, development activities, or business meetings that include a meal and may include University guests, faculty, and/or staff.

**REIMBURSEMENTS FOR ENTERTAINMENT, MEMBERSHIPS AND OFFICIAL OCCASION EXPENSES:**

Reimbursement from State Funds or Institutional Funds is made according to the guidelines outlined in *The University of Texas at Dallas Entertainment, Memberships and Official Occasions Expense Chart, EXHIBIT C, Pages E1-190.4-E1-190.5.*

State funds may not be used for any entertainment, club memberships or official occasion expenses.

**APPROVAL OF EXPENSES:**

- Any reimbursement of entertainment expenses must be approved by an authorized approver.
- When the authorized approver is a participant in the event, the person to whom the authorized approver reports (or a higher officer) must approve the expense or reimbursement.
- If the amount the requestor is seeking for reimbursement is in excess of the maximum per person rates, the approver must be the appropriate executive officer (Vice President, Executive Vice President and Provost, President).
- Individuals with signature authority on the paying account must sign to indicate approval of the reimbursement.



SUB-TOPIC  
POLICY AND GUIDELINES

**PROCEDURES FOR REIMBURSEMENT:**

Use the appropriate form as listed below for reimbursement of various entertainment, membership, and official occasion expenses:

- The form, *Request for Payment/Reimbursement of Business Expense*, is used to request reimbursements for entertainment and official occasion expenses and is located at [www.utdallas.edu/ir/tcs/eforms/busexp.doc](http://www.utdallas.edu/ir/tcs/eforms/busexp.doc).
  - NOTE: An original itemized receipt is required for all meals and the receipt must include the number of attendees. If an itemized receipt is not available, a statement must be included and signed by the one requesting reimbursement.
- If alcohol will be served at the event, approval must be obtained from the President or his designee. Use the *Request for Permission to Serve Alcoholic Beverages* form located on the electronic forms web site.
- Forms for membership dues:
  - To request direct payment of membership dues, use a *State of Texas Purchase Voucher* located at <http://www.utdallas.edu/ir/tcs/eforms/PurchaseVoucher.xls>.
  - To be reimbursed for membership dues, use the *Request for Payment/Reimbursement of Business Expense* form located at [www.utdallas.edu/ir/tcs/eforms/busexp.doc](http://www.utdallas.edu/ir/tcs/eforms/busexp.doc).
- A legitimate business purpose or benefit to the University must be stated on all requests for reimbursement. Examples of business purpose statements for various business and official occasion expenditures are provided in EXHIBIT A on Page E1-190.2.
- Include the appropriate sub-account or object code for the type of expense:
  - **Food/Meals** - The following codes may be used for purchase of food/meals:
    - **4315 – Food**
      - To record payment for the purchase of food especially for education activities. This code is usually used for seminars, conferences, and teaching sessions.
    - **4316 – Food – Student Activities**
      - To record payment for the purchase of food not used for research, meetings, or entertainment purchases; i.e., for student life activities such as Greek Week, Welcome Back, etc.
    - **6314 – Entertainment**
      - To record payments for entertainment expenditures of food for individuals, small groups at restaurants or departmental functions.
    - **6325 – Meetings, Conferences and Seminars**
      - To record payment for meetings, conferences or seminars conducted by UTD employees. These meetings are usually on-site and catered. This code can occasionally be used for official group business meetings at off-site restaurants.
  - **4201 - Membership Dues**
    - To record the payment of annual membership dues. This code is also used for special club memberships, such as Country Clubs or exclusive dining clubs, when that membership has been approved by the President or his designee.
  - **6314 - Entertainment - Other**
    - To record other expenses such as flower arrangements and non-cash gifts for speakers, guest lecturers or special guests.
    - All other entertainment expenses.



SUB-TOPIC  
EXHIBIT A – EXAMPLES OF APPROPRIATE BUSINESS PURPOSE STATEMENTS

Listed below are examples of appropriate business purpose statements by category of business expense:

**Membership Dues**

“Membership in this organization benefits UTD by keeping me abreast of current trends in \_\_\_\_\_ through publications and newsletters. In addition it allows me to attend conferences and meetings which provide a forum for networking and discussion with my colleagues.”

**Flowers and Non-Cash Gifts**

Flowers for Funeral: “Flowers were purchased for the funeral of (name) who is the (insert relationship) of (insert name of employee or colleague) to express sympathy on behalf of UTD.

Flowers for Retiree: “Flowers were purchased for the retirement of (name) in recognition of their years of service to UTD.”

Non-Cash Gift: “(Description of Gift) was presented to guest speaker (name) in appreciation for attending and speaking at the (title) symposium. Dr./Mr./Ms. (name) is the (title) at (company or organization) and has done extensive research (or published articles, etc.) in the field of (name).” (State some reason why the person is important to the business purpose of the event.)

**Meals and Entertainment**

“Breakfast/Lunch/Dinner was with (insert names and titles) from (insert company or organization name) to discuss \_\_\_\_\_. This program is important to UTD because \_\_\_\_\_.”

“Food for (insert number\*\*) individuals for the annual \_\_\_\_\_ meeting. This meeting was held to discuss \_\_\_\_\_ which will benefit UTD by \_\_\_\_\_.”

\*\*Include the number of individuals that attended. Include names and title if the group is less than 10 individuals.



SUB-TOPIC  
EXHIBIT B – UNITED STATES INTERNAL REVENUE SERVICE (IRS) REQUIREMENTS AND RESTRICTIONS

**IRS requirements and restrictions affect employee awards as follows:**

- **Cash, Gift Certificates and Gift Cards** are not allowed for employees awards. These items are taxable to an employee recipient, and it is administratively infeasible to assess and collect the required taxes.
- **Merchandise Awards** of a nominal value (i.e. less than \$50) given infrequently are excludable from an employee's taxable wages, but awards given frequently or with a value in excess of \$50 must be included in an employee's taxable wages unless the award is an employee achievement award (i.e., length of service or safety achievements). The value of a merchandise award may be determined by its purchase price.
- **Employee Achievement Awards** of merchandise in excess of \$50 may be given to employees for length of service or safety achievement, but such awards must not favor highly paid employees and must be awarded as part of a meaningful presentation.
  - Safety awards may not be awarded to professional, managerial, clerical or administrative employees, employees with less than one year of employment, or greater than 10% of all employees.
  - Length of service awards may not be awarded in the first five years of employment or within 4 years of a previous length of service award.
  - If the average cost during a year of all achievement awards in excess of \$50 is less than \$400, under a written award plan, then the dollar limitation for all achievement awards to a single employee during that year is \$1,600. If the cost or fair market value of all received by an employee during a year exceeds \$1,600, then an employee's taxable wages must include the higher of the cost or value in excess of \$1,600.
  - If the average cost of all achievement awards in excess of \$50 is greater than \$400 and the total cost of all awards to a single employee during that year is in excess of \$400, then the fair market value in excess of \$400 must be included in an employee's taxable wages. If the total cost is less than \$400, then the award is not included in an employee's taxable wages.

**Sales Tax on Country/Social Club Membership Dues and Expenses:**

- The University may pay country/social club membership dues directly sales tax free, but if an employee pays these dues directly, and later seeks reimbursement, sales tax must be paid by the employee.
- Country/social club membership dues are excludable from an employee's taxable wages to the extent used for business purposes. To the extent for personal use the social/country club membership dues must be included in taxable wages and reported on the employee's year-end W-2. Personal use is tracked by the Office of Procurement Management and the Office of Payroll and Tax Compliance.



ADMINISTRATIVE  
POLICIES AND PROCEDURES MANUAL

DATE ISSUE  
7/31/07

REVISION

PAGE  
E1-190.4

SUBJECT  
ENTERTAINMENT AND OFFICIAL OCCASIONS

SUB-TOPIC  
EXHIBIT C – ENTERTAINMENT, MEMBERSHIPS AND OFFICIAL OCCASIONS EXPENSE CHART – Page 1

The University of Texas at Dallas

EXHIBIT C - Entertainment, Memberships and Official Occasions Expenses Policy Chart (1 of 2)

Expense Type	Allowable Sources	Allowable Expenses	Required Approval	Dollar Limits
Meals and Official Occasions	Gift accounts (5XXXXX)		Approved by the supervisor. Approval of the appropriate executive officer (President/Executive Vice President and Provost/Vice President) is required in cases where the price per person exceeds the defined limits.	Gross bill (including alcoholic beverages and tips) must not exceed \$20/person for breakfast, \$45/person for lunch and \$95/person for dinner. On-campus events are reimbursable for all participants. Off-campus events are reimbursable as follows: *When only UTD employees are present (e.g., employee relations, mentorship, recruitment and conferences), reimbursement only when supervisor is a host, and reimbursement is only for guests, <u>not the supervisor.</u> *When non-UTD employees are present, full reimbursement only when they are the principal rationale for the activity (e.g., recruitment, donor cultivation, information transfers, etc.). Reimbursement for all participants, including UTD spouses only if non-UTD spouses are also present. (At the Deans level and above, when the purpose is recruitment of a candidate for a position as a full professor, <u>reimbursement will include the Dean's spouse even when there are no non-UTD spouses present.</u> )
	Designated funds (316XXX-317XXX)	Alcohol purchases are not allowed on any accounts that include student fees.		
	Sponsored Research Funds (6XXXXX)	See details on charging meals to Federal and State Grants funds (630XXX-637999 and 223000-223899) at <a href="http://finance.utdallas.edu/grants/meal-policy.html">http://finance.utdallas.edu/grants/meal-policy.html</a>		
	Continuing education programs and conferences (317XXX)			
	Auxiliary Funds (4XXXXX)	Alcohol purchases are not allowed on any accounts that include student fees or funds under the control of Intercollegiate Athletics.		
	Endowed faculty position accounts (525XXX)			
	Service funds (314XXX)			
Charitable Contributions or Cash Gifts		NOT ALLOWED		
Dues to professional organizations	Same sources as for meals and official occasions. NOTE: State funds may be used for dues to professional organizations.		Approval by the President or his designee.	
Holiday Functions	Same sources as for meals and official occasions		Approved by President or his designee.	Must not exceed \$50/person



ADMINISTRATIVE  
POLICIES AND PROCEDURES MANUAL

DATE ISSUE  
7/31/07

REVISION

PAGE  
E1-190.5

SUBJECT  
ENTERTAINMENT AND OFFICIAL OCCASIONS

SUB-TOPIC  
EXHIBIT C – ENTERTAINMENT, MEMBERSHIPS AND OFFICIAL OCCASIONS EXPENSE CHART – Page 2

The University of Texas at Dallas

EXHIBIT C - Entertainment, Memberships and Official Occasions Expenses Policy Chart (2 of 2)

Expense Type	Allowable Sources	Allowable Expenses	Required Approval	Dollar Limits
Flowers and Non-Cash Gifts	Same sources as for meals and official occasions	Flowers and/or gifts not allowed for personal gifts to employees. Flowers, cakes, gifts or other related items are <b>not</b> allowed for employees' birthdays, births or hospitalizations. Reimbursement is allowed for flowers for funerals of an employee or members of their immediate family. Flowers are also allowed for retirees at the retirement event. Gift certificates and gift cards for any amount are <b>not</b> allowed for employees. <u>See EXHIBIT B, Page E1-190.3 with Internal Revenue Service requirements regarding gift certificates and merchandise awards.</u>	Approved by the supervisor unless the cost exceeds dollar limits. If the costs are greater than the dollar limits, approval of the appropriate executive officer is required.	Flowers not to exceed \$100 including delivery Non-cash gifts not to exceed \$50
Employee Achievement Awards (Length of Service and Retirement Awards)	Same sources as for meals and official occasions	Allowable expenses for service awards and retiree awards are outlined in a written plan developed by Human Resources Management.  Service Awards are presented at an annual ceremony.  Retirement Awards are coordinated through Human Resources Management and are presented at the time of retirement.	Contact Human Resources Management for information on approved award options.	The current written award plan limit set by Human Resources Management at UT Dallas is \$400.  NOTE: Awards in excess of \$400 to a single employee during the year may be taxable to the recipient. See the Internal Revenue Services requirements as defined in <b>EXHIBIT B, Page E1-190.3.</b>
Memberships to country clubs or exclusive dining clubs, etc.	Same sources as for meals and official occasions	Memberships in airline clubs, such as the Admirals Club, are not allowed. Unless the membership is used primarily for business purposes, memberships in clubs, such as Country Clubs or exclusive dining clubs, are not allowed. When membership is permitted, monthly statements should be reviewed for personal charges and any such charges paid by the individual. Note IRS sales tax requirements and reporting listed in <b>EXHIBIT B, Page E1-190.3.</b>	Initial approval by President. Approval of continuing dues by President's designee.	