

University Policy 1223: Meals and Entertainment

Category: Governance and Administration

Subcategory: Budget and Expenditures

Covered Individuals: All Employees

Responsible Executive: Vice President for Finance and Administrative Services

Policy Custodian: Controller, Controller's Office

Last Revised: 2025/11/07

Previous USU Policy Number: 516 & 5304

1223.1 PURPOSE AND SCOPE

There are occasions when extending hospitality through meals and entertainment is in the best interest of the University. This policy identifies the limited circumstances under which University funds may be used to pay for meals and entertainment.

University funds must be used responsibly, supported by documentation, and follow USU policy and Internal Revenue Services (IRS) guidelines. This policy promotes accountability and consistency when meals or entertainment support University business purposes.

Note: Meals incurred while in travel status are governed by Policy 1222: Travel.

1223.2 POLICY

The University will pay for meals and entertainment expenses when costs are reasonable and necessary for the conduct of university business. Expenses must be:

1. directly related to the active conduct of University business;
2. associated with the active conduct of University business; or
3. de minimis under Internal Revenue Service (IRS) guidelines.

2.1 Directly Related to the Active Conduct of University Business

Criteria for meals and entertainment expenses that directly relate to the active conduct of University Business, include the following:

1. the main purpose of the combined business and meals/entertainment is to actively conduct business;
2. business is conducted with the person(s) during the meals/entertainment period; and
3. there is more than a general expectation of obtaining some benefit to the University.

2.2 Associated with the Active Conduct of University Business

Criteria for meals and entertainment expenses that are associated with the active conduct of University Business include the following:

1. associated with the active conduct of University business; and
2. directly before or after a substantial business discussion.

2.3 De Minimis

A de minimis meal or entertainment is any occasional benefit, for which, considering its value and frequency which it is provided, is so small that accounting for it would be unreasonable and administratively impractical.

De minimis examples include:

2.3.1 Employee Events

Such as:

- Appreciation Events
- Retirement/Separation Functions
- Holiday Functions
- Retreats

For these events, cost must be reasonable and may include employees, guests, and family members at the department head's discretion. Documentation is required.

2.3.2 Beverages/Food Items

Supplies of coffee, water, soda, juice, and similar items may be purchased for hospitality to guests. Department head approval and documentation are required.

2.3.3 Working Meetings

Refreshments or meals may be appropriate for working meetings where food is incidental to the meeting. Working meetings are held to conduct substantive work, typically involve two or more departments, and last two or more hours. Department head approval and documentation are required.

2.3.4 Trainings/Workshops

Refreshments or light meals may be provided at trainings/workshops when appropriate for the event's time of day and duration. Department head approval and documentation are required.

2.3.5 Potential Candidate

When hosting a potential candidate, it is permissible to provide a meal(s) for the candidate, hiring committee, and other relevant guests. Department head approval and documentation are required.

2.4 Expenses that Result in Taxable Income

Per IRS regulations (Publication 15-b, Tax Guide to Fringe Benefits), meals and entertainment expenses are considered taxable income to the employee if they:

1. do not meet the criteria noted above in Sections 2.1, 2.2, or 2.3,
2. are not substantiated with supporting documentation (see Section 2.5), or
3. do not qualify as de minimis.

2.5 Alcohol Purchases

Purchase of alcohol may be allowed with approval of a Dean or Vice President. State appropriations, including E&G, and sponsored research funds may not be used to pay for alcohol.

2.6 Unallowable Costs

Meals when two or more employees choose to voluntarily participate together, regardless of whether business is conducted.

Meals when the meeting could have been scheduled during the normal course of business, except when employees from multiple departments can only meet during a meal period. Exceptions must not occur on a regular or routine basis, or be reciprocal (e.g.; monthly, weekly, etc.).

Charges for unallowable meals on a University P-card must be reimbursed.

2.7 Documentation

Business meals and entertainment expenses must be documented with:

- The business purpose for the meal/entertainment.
- Names and affiliations of individuals involved.
- Date and location of the meal/entertainment.
- Itemized receipts. (Credit card receipts do not qualify as itemized)

Meals and Entertainment documentation is not required for food that is purchased as research supplies, for culinary instruction, or as normal operating supplies (e.g. Edith Bowen lunch supplies, preschool snacks, or Dining Services food for resale). However, these types of purchases still require that the business purpose is documented and charged to the appropriate account code (i.e. Supplies, Cost of Goods, etc.).

If the business purpose and expense cannot be properly documented, the employee may be required to reimburse the University.

1223.3 RESPONSIBILITIES

3.1 Employees

Provide documentation for reimbursement or p-card charges.

3.2 Transaction Coordinators

Verify that expenditures are consistent with policy requirements and documented.

3.3 Business Managers

Verify that expenditures are allowable and allocable.

3.4 Department Heads

Approve allowable expenses consistent with this policy.

3.5 Dean or Vice Presidents

Approve alcohol purchases consistent with this policy.

3.6 Controller's Office

Monitor compliance with tax reporting requirements.

1223.4 REFERENCES

- [Internal Revenue Service Publication 5137, Fringe Benefit Guide](#)
- [Internal Revenue Service Publication 15-b, Employer's Tax Guide to Fringe Benefits](#)

1223.5 RELATED USU POLICIES

- [Policy 1221: Procurement](#)
 - [Policy 1222: Travel](#)
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Information below is not included as part of the contents of the official policy. It is provided only as a convenience for readers/users and may be changed at any time by persons authorized by the president.

RESOURCES

Procedures

- [USU P-Card Procedures](#)

Related Forms and Tools

- [ServiceNow Travel Forms](#)

Contacts

[Controller's Office](#)

POLICY HISTORY

Original issue date: 2006/01/27

Last revision date: 2025/11/07

Next scheduled review date: 2026/09/01

Previous revision dates: 2022/06/23, 2017/08/09, 2015/04/22, 2013/04/10