

TO: Wesleyan University Faculty and Administrative Support Staff

FROM: Finance and Academic Affairs

SUBJECT: Guidelines on expenses for non-travel meals and gifts

This memo outlines the guidelines you should follow when spending University funds or requesting reimbursement. Everyone wants to avoid having charges denied, therefore we developed this short guide. Obviously, no policy could outline every possible example of allowable and disallowable expenses, so we ask that you use reasonable judgment when using University funds, and when in doubt, ask questions before expenses are incurred.

The policy serves Wesleyan's educational mission through careful stewardship of University funds. Faculty and staff should bear in mind that Wesleyan is subject to annual audits, to IRS regulations, and is expected to conform to a higher standard of financial prudence than for-profit corporations. Government agencies, granting agencies, and other observers such as donors, parents, and students may perceive certain expenditures as being either excessive or inappropriate in the context of a regulatory audit, an IRS audit, or other similar review of University activities. We all have an obligation to spend Wesleyan funds in moderation and with discretion. Spending from grant funds must conform to Wesleyan policy, and is further restricted by applicable laws, the rules and regulations of the granting entity, and the terms and conditions of the grant.

This document is a guideline. For the full policy, please consult the Finance website (http://www.wesleyan.edu/finance/financeDept/accounts/travel_and_other_exp_policy.htm) or contact Lisa Sacks (lsacks@wesleyan.edu) or Joy Vodak (jvodak@wesleyan.edu) **prior** to expending University funds, including departmental operating, capital, endowed, grant, gift, ploughback or faculty research funds.

1. Non-Travel Meals

Policy on maximum costs for all meals

If a meal qualifies as an allowable expense (see below), Wesleyan will pay up to the following amounts, per person, whether the meal is held at a restaurant or catered (on or off campus). Amounts include tax and gratuities. For catered meals, these spending limits are inclusive of all costs for the event, including food, alcohol, and non-food items such as linens, table/chair rentals, dish rentals, wait-staff, bartenders, service costs, etc.:

Dinner: \$50, including alcohol. All alcohol expenses must be charged to account 84535. Please note that alcohol cannot be charged to grant smartkeys beginning in 501/502.

Lunch: \$25 (alcohol is not covered for lunch)

Breakfast: \$20 (alcohol is not covered for breakfast)

Exceptions to the above amounts require approval by the employee's Cabinet Officer.

a. Meetings over meals (attended only by university employees)

In cases where University employees meet over a meal when they are not traveling, the cost of the meal is considered a **non-reimbursable** personal expense except in rare circumstances that include: 1) the primary purpose of the meeting is to conduct University business, and 2) there is a clear, demonstrable, and compelling reason that a meeting must be held outside the office over a meal.

The employee must adequately document these criteria on the expense reimbursement request or commercial credit card statement (i.e., persons in attendance, formal agenda, reason why the meeting required a meal, and benefit to the University). A formal departmental retreat to prepare for an external review does meet these criteria, but the annual departmental planning meeting does not.

b. Meals involving non-university personnel

Expenses for dining involving non-University personnel are allowable when the purpose of the meeting is to conduct University business (e.g., faculty recruitment and guest speakers). For University audit purposes, the following must accompany the receipt: a list of names of those in attendance, or identification of the hosted group and their total number, and a clear statement of the business purpose.

2. Department Functions (Receptions, Holiday Parties, Retirements, Promotions)

Occasional functions for employees are considered reimbursable business expenses when the expenditure is not lavish or excessive and is intended to serve as a token of appreciation that primarily promotes employee relations, or that recognizes individual or group achievements, such as promotions, retirement parties, etc. Such events are not to exceed **\$10 per Wesleyan attendee**; if the event will cost \$500 or more, pre-approval of a cabinet officer is required. Any amount expended above that amount must be paid from personal funds that are collected and deposited to the University smartkey to cover the additional expenses, *prior to submitting reimbursement or reconciling Pcard vouchers. Functions that go over the \$10/per person limit will require a deposit to the smartkey used (from personal funds collected).*

Occasions that celebrate births, marriages, etc., or the beginning or end of the academic year should be paid for by the employees involved. Departmental Pcards may not be used for these events.

3. Gifts

a. Meals for student workers

While we understand the desire to show appreciation for student workers, University funds cannot be used to take work-study or office workers out for meals or to purchase thank you gifts. It is recommended that your department take up a collection to take your student(s) out to lunch or to purchase a gift of appreciation or congratulations.

b. Department majors

Gifts for departmental majors (including those awarded honors or prizes) are allowable up to \$25 and should be educational in nature (e.g., books).

c. Gifts: flowers

In the event of death of a faculty or staff member's immediate family member, the University allows an amount of \$75 for flowers/gift baskets/memorials to be sent to the employee. Anything above \$75 should be covered in advance by faculty/staff contributions.

d. Gift cards

Gift certificates and gift cards are considered cash equivalents for IRS purposes: their value constitutes taxable income. We discourage purchasing gift cards for this reason, but if a gift certificate is given to an employee (including students), the supervisor should advise Payroll (payroll@wesleyan.edu) so that the person's next paycheck will have the income tax for the value of the gift card deducted from his/her salary.

e. Charitable and political contributions

Charitable and Political contributions are not allowable expenses. Do not use university funds for these purposes.

4. Other Items to Remember

- Meal receipts must include the itemized receipt showing the specific food and beverages ordered so that alcohol purchases can be separated from other items. If you do not receive, or forget to collect, the itemized portion of the receipt, you are responsible for requesting a duplicate copy from vendors prior to submitting expenses for reimbursement. Most local vendors and hotels are able and willing to fax over duplicate receipts upon request.
- Receipts are not required for allowable expenses up to \$20. Vouchers submitted without itemized receipts will be reimbursed only up to this \$20 amount.
- University funds cannot be used for office decorations except as part of planned renovations or with cabinet officer approval.

Vouchers that do not meet the criteria in these guidelines will not be approved.

5. Frequently Asked Questions

1. I plan to use grant funds, or my faculty research account, ploughback, or endowment funds to pay for a purchase. Do these guidelines apply?

Yes: if Wesleyan makes the payment, these guidelines apply (if you pay from your personal funds, they do not). Grants, gifts, endowments, ploughback, start-up, capital, faculty research funds, departmental operating funds, etc. are University funds; expenses paid from those funds must conform to University policy on allowable expenses and must be used to fulfill University purposes.

2. What happens if my expenses do not meet these guidelines?

Requests for reimbursement will be denied if the expense is not allowed. In cases where receipts are incomplete, an amount lower than requested may be reimbursed. If a University Pcard was used to pay for a non-allowable expense or if proper receipts are not provided, the transaction will be denied and the expense must be paid to Wesleyan from personal funds. Use of a University Pcard for non-allowable expenses or without proper receipts may result in loss of Pcard privileges.

3. What is the difference between a reception (\$10 maximum per person) and a meal?

Receptions—such as holiday parties, pre- or post-lecture gatherings open to all attendees, and retirement parties—are primarily for members of the Wesleyan community, open to large groups, and offer modest refreshments. They are allowed in limited contexts to recognize significant achievements or special occasions. By contrast, allowable meals are open to small groups by invitation and must be scheduled at meal times due to the nature of their business purpose.