

## **From 9.1.1. ENTERTAINMENT AND OFFICIAL OCCASION EXPENSES with VPR Rules, Amended 4.01.19.**

Expenditures of University of Texas at Austin funds for entertainment should support the institutional mission and must serve a business purpose.

Generally entertainment expenditures include food and beverages, facility rentals, flowers, invitations, and other similar expenses and should be related to one or more of the following purposes:

- recognition or promotion of 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 the institution's programs or activities
- support of institution-sponsored student events and activities
- recruitment of students, faculty, staff
- unit or department morale building events (does not include individual [awards](#))
- assistance to The University of Texas Regents, accrediting agencies, officials from other institutions, etc.
- support of a program of continuing education

### **A. 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 Austin and is often hosted by an administrative officer. These functions are normally associated with special programs, university guests, faculty, and staff recruitment. Examples include conferences, workshops, seminars, development events (donor receptions, fundraising activities, etc.), planned retreats, staff meetings, unit or department morale building events, and other similar activities.

### **B. Administrative/Business Meetings**

Administrative/Business meetings generally involve two or more people, must include a university employee, are agenda driven, and directly concern university business. Business meeting expenses may be reimbursed if the meal or light refreshment is an integral part of the meeting, not a matter of personal convenience, and the meeting time encompasses a regular meal time and could not otherwise be scheduled during regular working hours. University funds cannot be used for social lunches between two or more university employees.

### **C. Entertainment Expenses**

Expenses incurred for official occasions and entertainment may be reimbursed according to the Entertainment and Official Occasion Expenditure Policy Chart for the appropriate type of expense. Entertainment expenses are not allowed on state funds (14-accounts), Available University Funds (AUF) (20-accounts), indirect cost (19-accounts), or service center funds (18-accounts). For a complete list of the account types that are allowed for entertainment expenses, refer to the chart below.

## [Entertainment and Official Occasion Expenditure Policy Chart](#)

### **D. Oversight of Entertainment Expenditures**

Oversight of entertainment expenditures is required at the senior administrative level, i.e., by vice presidents and deans. Authority may be delegated by the vice president or dean to associate/assistant vice presidents, associate/assistant deans, department heads, or other staff in leadership roles to act as official delegates for approval of entertainment expenses. Entertainment expenses may require approval prior to the function as determined by the dean or vice president. **VPR is requiring prior approval for entertainment expenses of \$1000 or more. Please submit your OOEF at least 2 days prior to the event. For entertainment expenses less than \$1000; we would prefer to receive your OOEF's prior to the event but we will process the OOEF at any time prior to submitting your VPE document.**

Deans, vice presidents, and official delegates may not approve their own expenditures and exceptions, regardless if the payment is by reimbursement or direct payment to the vendor. Expenditures and exceptions for the president and vice presidents must be approved by the senior vice president and chief financial officer, or assigned delegates. Expenditures and exceptions for deans must be approved by the executive vice president and provost, or assigned delegates. Expenditures and exceptions for the executive vice president and provost and the senior vice president and chief financial officer must be approved by the president, or assigned delegates. Delegates must hold a higher-level administrative position.

Authority has been delegated by the president to Payment Services in the Office of the Senior Vice President and Chief Financial Officer to review and grant final approval for all entertainment expenses.

Contact the Accounts Payable manager at 512-471-1816 for documentation required for deans and vice presidents to delegate authority to official delegates. If delegation changes, new documentation must be sent to Accounts Payable.

Additional requirements for entertainment expenditures may be promulgated by the dean, vice president, or unit business officer.

### [Accounts Payable](#)

### **E. Entertainment Limits**

The entertainment limit is an average of \$75 per person **for dinner** including food, alcohol, tax, and gratuity. **Per VPR, breakfast and lunch limits are set at an average of \$35 per person.** The cost should be appropriate for the type of meal or event, and this limit applies to all venues including restaurant expenses and entertainment at a private residence. **Additionally, in the interest of efficiency and positive impact of recruiting efforts, units are encouraged to hold meals for recruiting purposes at iconic, rather than extravagant, Austin venues. To optimize communication with candidates at recruiting meals, groups should be kept small. Per VPR, reimbursement for recruiting events is limited to the cost of six or fewer attendees, including the candidate and, if attending, the candidate's spouse (see section G. Companion of a University Guest or University Host). If you are paying a vendor and you exceeded VPR's recruiting event**

limit of the cost of six attendees, we will hold the payment until we receive a personal check from the event host or unit head, made payable to The University of Texas at Austin, and we will deposit the check against the payment voucher.

Units will not be required to get a per person cost when there is a negotiated agreement with a vendor **for a total package price** that includes food and non-food expenses.

Gratuities are allowed within reasonable limits. Gratuities should not exceed 20 percent of the bill subtotal before sales tax. For more information, refer to section 9.1.1.M.1.h.

Expenses for alcohol may not be the primary expenditure, that is, greater than the total food expense. **Note:** If multiple payment documents are submitted for the same event and alcohol is paid separately, then a copy of all backup documentation related to the event must be included to verify alcohol expense is not greater than food expense. **VPR has removed the alcohol limit of “not to exceed 50% of the non-alcoholic items” and will follow the UT policy “not to exceed the total food expense.”**

Exceptions to the above policy and limit require justification documented on the Official Occasion Expense Form (OOEF) and approval by the dean or vice president. Official delegates may not approve these exceptions. Exceptions for the deans, vice presidents, executive vice president and provost, senior vice president and chief financial officer, and president require additional higher level approval, regardless if the payment is by reimbursement or direct payment to the vendor. Refer to section “9.1.1.D Oversight of Entertainment Expenditures” for approval hierarchy. For more information about the OOEF, refer to section 9.1.1.M.1.a.

**Only the Vice-President for Research (Dr. Jaffe) can approve exceptions for the VPR portfolio, and Dr. Jaffe will not approve any requests to exceed the per person meal limits or the alcohol limit. If you are paying a vendor and you exceeded the limit(s), we will hold the payment until we receive a personal check from the event host or unit head, made payable to The University of Texas at Austin, and we will deposit the check against the payment voucher.**

Employees of The University of Texas at Austin are expected to be good stewards of university funds. University leadership reserves the right to deny reimbursement of excessive expenditures. Additional requirements and limits for entertainment expenditures may be promulgated by the dean, vice president, or unit business officer.

#### **F. Serving Alcohol at Non-licensed Venues including a Private Residence**

- All pertinent laws, regent rules, and university policy regarding alcoholic beverages must be observed.
- It is advisable for an individual that is licensed by the Texas Alcoholic Beverage Commission (TABC) to serve the alcohol.
- The area where the alcohol is being served should be monitored to ensure that only invited guests participate in the event.
- Expenses for alcohol may not be the primary expenditure submitted for reimbursement, that is, greater than the total food expense. Exceptions require justification documented on the OOEF and approval by the dean or vice president. Official delegates may not approve these exceptions. Exceptions for the deans, vice presidents, executive vice president and provost, senior vice president and chief financial officer, and president

require additional higher level approval, regardless if the payment is by reimbursement or direct payment to the vendor. Refer to section “9.1.1.D Oversight of Entertainment Expenditures” for approval hierarchy. Additional requirements for serving alcohol may be promulgated by the dean, vice president, or unit business officer.

### **G. Companion of a University Guest or University Host**

For an entertainment expense to be allowed, all those attending must serve a bona fide business purpose. This purpose must be documented on the [Official Occasion Expense Form](#). Companion expenses are generally not reimbursed unless they are for receptions, development, distinguished visitors/lecturers, or recruitment purposes. **In order to justify a bona fide business purpose, expenses for a university host's companion are usually reimbursed only if the guest also brings a companion. (VPR will follow this practice.)**

### **H. Approval to Serve Alcohol in Campus Facilities**

Advance approval by an [approved delegate](#) is required to serve alcohol in campus facilities, including leased spaces. This approval must be submitted with the [Official Occasion Expense Form](#). Vouchers will be rejected if a [delegate's](#) prior approval has not been obtained. For more information, refer to the [Request Exception to Serve Alcoholic Beverages at an Event on Campus](#) page.

### **I. Social Club Dues**

Social club memberships are allowed if they pertain to the person's job duties and benefit the university. Faculty and staff may be reimbursed for these expenses, or the vendor may be paid directly. An approval letter for the social club membership signed by the current dean, vice president, provost, or president is required. Academic staff must have social club memberships approved by the appropriate dean, and administrative staff must have them approved by the President's Office. Signatures from official delegates will not be accepted for social club dues. Dues for deans or vice presidents require approval from the Provost's or President's Office. [Social Club Membership Approval Letter Sample for Academic Departments approved by Dean\\*](#)  
[Social Club Membership Approval Letter Sample for Deans approved by Provost\\*](#)  
[Social Club Membership Approval Letter Sample for Administrative Departments and Vice Presidents approved by President\\*](#)

### **J. Flowers or Other Perishable Items for Individuals**

Flowers or other perishable items to or for individuals that are not associated with a university-funded event must be sent in the name of the sending department or office. Examples of other perishable items include cookies, fruit, chocolate, pre-cooked meal, or basket of pre-packaged food items. Flowers or other perishable items may be purchased for funerals, memorial services, hospital stays, and extended illnesses or for congratulations or recognition. Flowers or other perishable items may be paid by reimbursement to the purchaser or by direct payment to the florist or vendor. This type of expense requires an Official Occasion Expense Form. Refer to the [Entertainment and Official Occasion Expenditure Policy Chart](#) for dollar limits.

VPR will accept blanket OOEF forms for the fiscal year for “well check/funerals/memorial services” flowers sent to individuals. This type of expense can be paid using a VP2 document provided you list the individual(s), use the 1329 object class code, and attached a copy of the approved OOEF form signed by a VPR delegate. These electronic documents and the backup documentation should route directly to the Office of Accounting for processing. **NOTE:** This process does not apply to other perishable items. Individual OOEF forms for other perishable items need to be sent to our office for approval and processed on a VPE document which will route through the VPR office for approval.

### **K. Invitations and Holiday/Greeting Cards**

Invitations are issued by administrative officers; normally the president, a vice president, dean of a college or school, or the administrative equivalent. Invitations should clearly indicate that the event is a university function. Holiday and greeting cards must be issued in the name of the sending department or office.

### **L. Deadline for Submitting Invoices and Receipts**

In accordance with the Prompt Payment Act, vendor invoices must be submitted for payment within 30 days of the event in order to avoid accrued late interest fees.

Due to Internal Revenue Service (IRS) regulations and Safe Harbor rules, employees who request reimbursement of expenses that were incurred more than 60 days ago are required to submit with their request for reimbursement a written statement explaining the reasons for the delay. Late reimbursement requests will also require additional levels of approval and may be disallowed entirely or reported as taxable income to the payee.

Below is the process for late reimbursements over 60 days old (travel and official occasions):

1. Each individual will be allowed 2 strikes and a memo or email is still required explaining the reason for the late submission in excess of 60 days.
2. On the 3<sup>rd</sup> strike, the VPR Office will notify the Office of Accounting and the reimbursement recipient that the reimbursement should be coded as taxable income.
3. On the 4<sup>th</sup> strike, the VPR Office will deny reimbursement and return the document to the creator.

### **M. Voucher Requirements**

#### **1. Supporting Documentation Requirements**

##### **a. Official Occasion Expense Form (OOEF)**

An Official Occasion Expense Form (OOEF) should be submitted with corresponding itemized receipts at the time a voucher is submitted for payment. The form must include the date of the activity, location, participants and/or group attending with estimated or actual number of people attending, purpose, benefit, funding source to charge, and required approval(s). Departments may

use a form of their own design as long as it includes the same information as the Official Occasion Expense Form.

~~Departments may enter the required information in the Notes section of the \*DEFINE document instead of supplying an OOEF. However, the dean/vice president or official delegate must be included in the electronic routing of the document in order for Notes to be accepted. Please do not use this option because not all of our electronic document reviewers are VPR delegated approvers.~~

#### [University of Texas at Austin Accounts Payable Forms](#)

#### **b. Procard**

When using the Procard for entertainment and official occasion-related items, departments must attach a signed Official Occasion Expense Form (OOEF) for each purchase and include the form as a basic part of the back-up documentation retained for the Procard at the departmental level. If purchasing alcohol from grocery stores using the Procard, the OOEF requires advance approval by the applicable dean, vice president, or official delegate. Backup documentation is subject to review and must be submitted with the receipt of purchase as supporting documentation to [Records Imaging Services](#) (refer to [HBP 7.8.5. Post Purchase section C. Record Keeping and Retention](#)).

University employees are not authorized to use the Procard to buy alcohol at package stores, nor are they authorized to use the Procard at restaurants.

#### [Procurement Card \(Procard\) Program](#) [University of Texas at Austin Accounts Payable Forms](#)

#### **c. UT Market, Commons Event Services, The Carillon Restaurant at AT&T Executive Education and Conference Center, and Housing and Dining 40 Acres Catering**

When using UT Market for entertainment and official occasion-related items, or for entertainment IDT charges from Commons Event Services, The Carillon Restaurant, and Housing and Dining 40 Acres Catering, departments are not required to send the signed Official Occasion Expense Form (OOEF) to Payment Services. Departments must attach a signed OOEF for each purchase and include the form as a basic part of the back-up documentation retained at the departmental level. Backup documentation is subject to review and must be provided upon request for auditing purposes.

#### **d. Approval to Serve Alcohol in Campus Facilities**

See section 9.1.1.H. above. Advance approval by the executive vice president and provost must be submitted with the Official Occasion Expense Form. Vouchers will be rejected if the provost's prior approval has not been obtained.

#### **e. Itemization of Expenses**

To prevent a personal tax liability, an itemized receipt or ticket is required for meals, or events with food, and the receipt or ticket must include the number of attendees. If an itemized receipt or ticket is not available, a statement declaring this must be included either on the OOEF, the non-itemized receipt, or in the **Notes** section of the electronic document, and the unit business officer, unit head, director, chair, or official delegate must approve the expense. This approval may be in the form of a signature on the OOEF or non-itemized receipt, or approval in the electronic routing of the document. It is also recommended that the department have the employee attest that an itemized receipt was not available.

**Dr. Jaffe will not approve any requests for reimbursement without an itemized receipt.**

All other consumable and non-consumable items, such as those purchased from grocery or department stores, must be itemized without exception.

#### **f. State Sales Tax and Mixed Beverage Sales Tax**

The university is exempt from state sales tax and mixed beverage sales tax, so faculty and staff must follow the [Texas Sales and Use Tax Exemption Certificate Instructions](#) and present the exemption certificate to the vendor at the time of purchase. However, if paid with personal funds, employees can be reimbursed for sales tax on business meals. For tax charged on goods and services, refer to [9.1.2. Other Reimbursements](#), for guidance.

#### **g. Gratuities on Restaurant Receipts**

Gratuities are allowed within reasonable limits. Gratuities should not exceed 20 percent of the bill subtotal before sales tax. An explanation must be provided in the NOTes section of the \*DEFINE payment voucher if tips exceed this amount; such incidents could be the result of a restaurant gratuity limit of more than 20 percent.

## **2. Voucher Coding**

Official occasion and business meeting entertainment expenses should be paid on VPE documents using the appropriate object codes. Coding and document processing questions can be directed to Accounts Payable.

### [Accounts Payable](#)

#### **Code 1347 —Official Occasions and Administrative/Business Meeting**

Cost of food, beverages, catering charges, waiters, decorations, flowers, invitations, room rentals, or related expenses associated with an official occasion or business meeting. The event is usually a reception, luncheon, or dinner. Many events are associated with special programs, university guests, faculty and staff recruitment and similar university activities. Examples include conferences/workshops/seminars, development events (donor receptions, fundraising activities, etc.), planned retreats, staff meetings, unit or department employee morale events, or contract and grant programs. **In addition, all food/beverage items for the break room, or not associated with a university-funded event, such as coffee, cream, sugar, beverages, and water, must be coded 1347 and an OOEF is required. VPR will accept blanket OOEF's for the fiscal year.**

Purchase orders are required for the delivery of drinking water and an OOEF is required. The VPR office will allow for a blanket OOEF for delivery of drinking water. Upon approval of the OOEF, make multiple copies, attach a copy to each VP1 document, and send the VP1 documentation directly to the Office of Accounting for processing. Do not send VP1 documentation to our office.

Procard for water service - The UT policy says bottled water can be purchased with the ProCard and an OOEF.

### **Code 1415 – Food for Education and Research**

Use state or local funds for educational, research, and experimental purposes as well as for departments located in buildings without access to drinking water (water utilities). This code does not require an Official Occasion Expense Form.

This object code should not be used for payments to speakers, travel costs for speakers, lodging, participant support fees, awards, and cash prizes as a result of a competition.

#### [Part 12 Independent Contractors](#)

#### [Part 9.1.7. Advances for Research Subjects and Survey Participants](#)

#### [Part 9.1.8. Awards](#)

#### [Part 14. Scholarships, Fellowships, and Cash Prizes](#)

### **Code 1309—Official Student Occasions**

Cost of food, beverages, and other expenses associated with official student occasions when student fee and flat rate tuition funded accounts are used. These expenses must be in support of student academic services and can never include the purchase of alcohol.

### **Code 1302—Club Dues**

Cost of club memberships and monthly dues. An Official Occasion Expense Form is not required for this type of expense; however, the appropriate approval letter is required.

[Social Club Membership Approval Letter Sample for Academic Departments approved by Dean\\*](#)

[Social Club Membership Approval Letter Sample for Deans approved by Provost\\*](#)

[Social Club Membership Approval Letter Sample for Administrative Departments and Vice Presidents approved by President\\*](#)

### **Code 1329—Flowers Others—Individuals**

Cost of flowers or other perishable items to or for individuals not associated with a university-funded event. An Official Occasion Expense Form is required for this type of expense.

### **Code 1527—Awards—Employees (Non-cash)**

[Handbook of Business Procedures Part 9.1.8.](#)

### **Code 1528—Awards—Non-Employees (Cash and Non-Cash)**

[Handbook of Business Procedures Part 9.1.8.](#)

[Part 14. Scholarships, Fellowships, and Cash Prizes](#)

## [Code 1535— Co-Sponsorships](#)

### **Code 1402 - Consumable Supplies-Non-Office**

Cost of consumable/disposable, non-food/non-beverage items not associated with a university-funded event, such as coffee filters, plastic utensils, paper plates, paper towels, and soap. An Official Occasion Expense Form is not required for this type of expense; however, when purchased with state funds, the department must document how the purchase is necessary to accomplish a public purpose that is related to the agency's legal authority or duties. Refer to use of Code 1347 for food/beverage items not associated with a university-funded event.

### **Code 1836 - Furniture & Equipment – Expensed**

Cost of Non-consumable/non-disposable, non-food/non-beverage items not associated with a university-funded event, such as dishes, cups, silverware, and brooms/mops. Cost of equipment such as refrigerators, microwaves, and coffee makers. An Official Occasion Expense Form is not required for this type of expense; however, when purchased with state funds, the department must document how the purchase is necessary to accomplish a public purpose that is related to the agency's legal authority or duties.