

July 6, 2007

VICE CHANCELLOR RESEARCH UNITS

SUBJECT: Guidelines for Reimbursement of Entertainment Expenses (excluding recharges, which will be dealt with under separate guidelines)

The Office of Research Affairs has established the following departmental guidelines to supplement the University-sponsored Entertainment Policy located at: <http://www.ucop.edu/ucophome/policies/bfb/bus79.pdf>

In addition, individual units reporting to the Vice Chancellor for Research may issue more restrictive guidelines than those listed here.

University-sponsored entertainment generally refers to an expense or occasion that:

- Serves a clear official business purpose with no personal benefit to the participants
- Involves a guest-host relationship
- Is incurred by someone who is authorized to act as a host on behalf of the University
- Is cost effective and utilizes funds appropriately

Effective October 1, 2006 the per-person maximum allowable expense for meals is as follows:

Breakfast	\$26
Lunch	\$38
Dinner	\$64
Light refreshments	\$17

Entertainment of seminar speakers and other guests will be reimbursed up to the allowable maximums, for a maximum of eight participants, including the speaker.

Please note that Business meals that are frequent or occur on a routine basis are treated by the IRS as taxable income and therefore are not reimbursable under University policy. For example, the cost of meals or light refreshments provided at a weekly departmental staff meeting is not reimbursable.

Submit original itemized receipts when requesting reimbursement. Heads of units, such as ORU Directors, have delegated authority to approve entertainment expenses for individuals in their unit. This authority may not be delegated further.

Exceptional entertainment expenses always require Vice Chancellor approval and may not be charged against state but may be charged to federal or other funds as long as fund guidelines are met. When a conflict exists between fund guidelines and UCSD entertainment policy, the more restrictive of the two policies applies. Examples of exceptional entertainment are listed below.

Exceptional Entertainment:

- Costs that exceed the per-person maximum
- Events that include a spouse or partner
- Faculty/ staff picnics or holiday gatherings
- Sporting events, concerts, or similar venues

Requests for approval of exceptional expenditures must be fully justified with a statement accompanying the entertainment reimbursement request.

The majority of events should adhere to the policy limits. Exceptions must be due to circumstances that are necessary and unavoidable. Under no circumstances will costs exceeding 200% of the allowable maximums be approved.

A spouse or partner's entertainment expenses may be approved if the spouse or partner has a bona fide business purpose for attending the event; for example, when the spouse of the guest is also included at the meal. Included spouses are counted toward the maximum number of participants.

An annual office get-together would likely be approved so long as it is justified as serving a business purpose. Occasions such as employee birthdays, weddings, anniversaries, and farewell gatherings (other than retirement) are not considered official entertainment and are not eligible for reimbursement.

Sporting events, concerts or similar events will rarely if ever be approved. A unique and compelling case would have to be made.

Use of Alcoholic Beverages for a UCSD-Sponsored Event or Meeting

If use of alcoholic beverages is absolutely necessary and integral to an event, follow these instructions:

- Ensure that reimbursement for alcohol is allowed under the fund source. It is an unallowable expense on State, Federal and many other types of funds.
- If the event is on campus, follow guidelines in PPM 510-1, Section XIII: Use of University Properties: Consumption of Alcoholic and/ or Malt Beverages. <http://adminrecords.ucsd.edu/ppm/docs/510-1.13.pdf>
- Submit "Use of Alcoholic and/ or Malt Beverages Form" to the UCSD Police Department and receive approval at least 3 weeks before the event.
- Reimbursement of wine purchased with dinner will be approved up to a maximum of \$50 per bottle or 2 drinks per person. Amounts above this limit may be paid for by the host. An itemized receipt is required.

Thank you for your attention to this matter.



Arthur B. Ellis
Vice Chancellor for Research