

3341-6-8 Business Entertainment Expense.

Applicability	All University units
Responsible Unit	The Vice President for Finance and Administration
Policy Administrator	Office of the Controller

(A) Policy Statement and Purpose

The purpose of this policy is to provide guidance and direction for university employees entertaining for university-related purposes. It is not intended to address every entertainment-related issue, exception or contingency that may arise in the course of university-related entertainment. Specific issues not covered should be directed to the Office of the Vice President for Finance and Administration for clarification and resolution.

(B) Policy

Bowling Green State University shall conduct its business-related entertainment activities in an efficient and cost-effective manner that supports the mission of the university while maintaining compliance with applicable state and federal laws and regulations. All business entertainment reimbursement from university-provided funds shall be administered through the Division of Finance and Administration (i.e., Accounts Payable; not through a department's petty cash account) and will be conducted in a manner that is compliant with applicable federal and state regulations.

(1) Authorized Entertainment Purposes

Entertainment expenses should only be incurred for authorized purposes such as the following:

- (a) To establish and maintain effective external communications and relationships for the benefit of the university.
- (b) To assist operations by utilizing early morning, noontime, and evening hours for legitimate business activity to expand available working hours with university employees, external clientele, or prospective employees of the university.
- (c) To provide appropriate amenities for organized events of the university, such as conferences and academic ceremonies, in which friends and clientele of the university are invited guests.
- (d) To provide appropriate food service for formal employee meetings and student functions in university facilities particularly when employees or students give up personal time to participate.

Expenditures for meals and other incidental costs associated with hosting a conference for which participants pay an attendance fee are not considered business entertainment and are not subject to this policy. These are normal operating expenses and can be processed accordingly.

No university funds can be used for the purpose of purchasing alcoholic beverages.

(2) Allowable Entertainment

University funds may be used to provide food and refreshments at a seminar, retreat, workshop, orientation, or other university-sponsored functions (recruiting and student functions). University funds may also be used for entertainment-related incidental expenses such as gratuities for service, use of space, room arrangements or floral or other decorations at such events. However, the IRS requires that requests for reimbursement or charges to a university purchasing card include documentation describing the event date, time, attendees and business purpose.

Any expenses incurred should be reasonable, actual and consistent with the stated business purpose.

(3) Unallowable Entertainment

Generally, entertainment only including university employees, their spouses or personal acquaintances is an unallowable entertainment expense and is not eligible for reimbursement, regardless of where the event is held.

Federal grant funds may not be used for entertainment costs, including amusement, diversion, and social activities, which are unallowable under Office of Management and Budget (OMB) Circular A-21.

(4) Entertainment Expense Reimbursement

The IRS requires substantiation of all business entertainment expenses, including the time, date, place, business purpose, attendees at the meal, and affiliation of attendees. The documentation requirement applies to all expenses, regardless of payment method.

Reimbursement requests must be accompanied by an itemized receipt. In the event a subsequent review or audit determines a reimbursement has been made in error, the individual will be required to reimburse the university.

Reimbursement requests for business entertainment expenses require approval by the appropriate dean, division head or President.

(5) Related Policies

(a) University Travel Expense

Additional statements related to Business Entertainment Expense may be found in other policies issued by Finance and Administration or individual Divisions, Colleges or Departments.

Registered Date: March 17, 2015