**Business Meals and Food Purchases UPPS No. 03.01.29**

**Issue No. 1**

**Effective Date: 09/06/2024**

**Next Review Date: 04/01/2029 (E5Y)**

**Sr. Reviewer: Director, Accounts Payable and Travel**

**POLICY STATEMENT**

*Texas State University is committed to promoting proper financial stewardship of funds to support the education mission of the university.*

# SCOPE

* 1. This statement establishes policy and procedures under which Texas State University employees may request payment or reimbursement for business meals and food purchases associated with official university business.
     1. The [Texas State University System (TSUS) Rules and Regulations, Chapter III, Section 6.8](https://www.tsus.edu/about-tsus/policies.html), authorizes the president to implement this policy through appropriate directives and delegation. Those requesting authorization and approval of specific expenditures must document the request in accordance with the requirements of [TSUS Rules and Regulations, Chapter III, Section 6.5](https://www.tsus.edu/about-tsus/policies.html).

# 02. DEFINITIONS

02.01 Business Meals – events including food, beverages, or refreshments. The events may include:

* + 1. meals with one or more external participant, including students; or
    2. meals provided for an all-employee event such as training workshops, strategic planning retreats, receptions and award ceremonies, or other meetings that involve a cross-section of several departments’ employees.

Meals provided in conjunction with events such as training workshops, strategic planning retreats, or student, faculty, or staff award ceremonies are allowable to the extent the meeting supports the business and educational mission of the university and consumption of food is incidental to the purpose of the meeting.

02.02 External Participants – official guests of the university such as donors or potential donors, visiting lecturers, visitors from foreign countries, visitors from other universities, individuals interested in university programs, prospective faculty or staff during the interview process, guests invited to assist in the development or evaluation of programs, alumni, business leaders, and community leaders.

02.03 Office of Management and Budget (OMB) – federal Office of Management and Budget related to grants.

02.04 State-Appropriated Funds – funds appropriated by the [General Appropriations Act (GAA)](http://www.lbb.state.tx.us/Documents/GAA/General_Appropriations_Act_2018-2019.pdf) passed by the State of Texas Legislature. These funds are designated in the university’s chart of accounts by a fund number that begins with “1.”

# 03. FUNDING SOURCES

03.01 The following conditions apply, depending on the funding source indicated:

1. The university prohibits using state-appropriated funds, including education and general revenue, as well as statutory undergraduate and graduate tuition, to purchase food and refreshments for any of the reasons covered under this policy.
2. The university allows the use of grant and contract funds to purchase food and refreshments if the expenditure is necessary and allowable under the grant or contract and meets the requirements of OMB [Uniform Guidance 2 CFR 200](https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html) and [State of Texas Uniform Grant Management Standards](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwiX8eb8kavjAhWFLc0KHbkUB3QQFjAAegQIBRAC&url=https%3A%2F%2Fcomptroller.texas.gov%2Fpurchasing%2Fdocs%2Fugms.pdf&usg=AOvVaw128P7pHIKUAqu9V80dAwBE) (contact the Division of Research for additional information).
3. The university prohibits spending institutional funds on food, refreshments, and beverages for personal use or consumption during routine day-to-day operations.
4. The university prohibits using locally generated income from course and instructional fees, physical plant administrative overhead charges, or scholarship, loan, university endowment, and plant fund accounts to purchase food or refreshments for any of the reasons covered under this policy.
5. The university allows the use of other locally generated income for the purchase of food when not otherwise restricted from such purposes.
   1. Expenses for business meals and food purchases may be reimbursed from university funds if the amount is reasonable and necessary. Reimbursements may include food, beverages, sales tax, and gratuity as outlined in Section 04.
   2. State-appropriated funds are prohibited from reimbursing or paying gratuity, unless the amount is a required fee for the services provided. A common example is a 15 to 18 percent mandatory gratuity for large parties at restaurants or concierge services at a hotel. Such fees must be mandatory and itemized on the receipt or invoice.
6. **PROCEDURES FOR REIMBURSMENT** 
   1. Reimbursement of business meals is appropriate if the main focus of the activity is to support the business and education mission of the university, and consumption of food is incidental to the purpose of the meeting. The presence of university faculty and staff at the business meal must be integral to the purpose of the meeting.
   2. Payment for business meals may be made via purchase order, an e-NPO, and P-Card. If the business meal occurs during travel status, it may be included on the travel expense report if the meal is not an employee-only meal (travel *per diems* should be used for all employees’ meals) and no alcohol is included in the expense reimbursement amount. However, faculty and staff involved in the meal cannot also claim *per diem* under the university’s travel reimbursement policy. If alcohol is included in the business meal expense during travel status, the alcohol must be submitted for reimbursement separately as an e-NPO. A [FS-08 (Request to Purchase Alcohol) form](https://www.txst.edu/gao/ap/forms.html) with the division’s vice president approval, in accordance with [UPPS No. 03.01.18](https://policies.txst.edu/university-policies/03-01-18.html), Purchase of Alcohol, must be attached.
   3. Payment or reimbursement of a business meal requires account manager approval. A reimbursement to an account manager requires the approval of a supervisor at least one level above the account manager.
   4. An itemized receipt or vendor invoice is required for the purchase of food or beverages whether outside the university or on the campus. If paid by credit card, the charge slip must be itemized. The method of payment should be reflected on the documentation provided by the vendor if paid at the time of purchase.
   5. Reimbursements associated with business meals must be approved by the account manager. Alcohol purchases must use a [FS-08 (Request to Purchase Alcohol) form](https://www.txst.edu/gao/ap/forms.html) and obtain approval by the division vice president, in accordance with [UPPS No. 03.01.18](https://policies.txst.edu/university-policies/03-01-18.html), Purchase of Alcohol.
   6. Business meals served in conjunction with events such as employee training workshops and strategic planning retreats, or student, faculty, or staff award ceremonies are allowable to the extent the meeting supports the business and educational mission of the university and consumption of food is incidental to the purpose of the meeting.
   7. Reimbursements for business meetings with external participants held by faculty and staff while in travel status are allowable under this policy; however, faculty and staff involved in the meal cannot also claim *per diem* under the university’s travel reimbursement policies. Reimbursements for business meetings involving only faculty and staff in travel status are not allowable under this policy.
   8. Meals provided by Texas State to a spouse, family member, or other personal acquaintance of a university employee or a non-employee will be permitted only when there is a substantial and *bona fide* business reason for that person’s attendance. An explanation for that person’s attendance must be included with the payment document.
   9. Food, excluding alcoholic beverages, provided with conferences, workshops, and similar events are allowable when:
7. the expenses are for the participants or conference attendees who paid the required fees; and
8. the literature (e.g., brochures, advertisements, etc.) soliciting participation in the activity states or infers the expenses as a part of the fee. This literature and the receipts or invoices must accompany the payment voucher.
9. Texas State is exempt from paying Texas Sales tax, under [Section 151.309 of the Texas Tax Code](https://statutes.capitol.texas.gov/Docs/TX/htm/TX.151.htm), when university funds are used. A [Texas Sales Tax Exemption Certificate form](https://www.txst.edu/payroll/tax-compliance/forms.html) must be provided to the vendor to avoid having sales tax added to the receipt. If a [Texas Sales Tax Exemption Certificate form](https://www.txst.edu/payroll/tax-compliance/forms.html) is not provided and sales tax is added to the receipt, any tax paid will not be reimbursed.
   1. If an employee makes a food purchase via personal funds or petty cash, it should be a rare occurrence necessitated by unforeseen or emergency situations. P-Card suspension status does not warrant an approved condition for using personal funds. Texas sales tax of purchases made with personal funds are applicable. A [Texas Sales Tax Exemption Certificate form](https://www.txst.edu/payroll/tax-compliance/forms.html) should be presented to the vendor prior to the purchase. Employees who fail to present a [Texas Sales Tax Exemption Certificate form](https://www.txst.edu/payroll/tax-compliance/forms.html) will not be reimbursed for the tax amount. If the vendor does not accept the Texas Sales Tax Exemption Certificate, a statement that the Texas Sales Tax Exemption Certificate was not accepted should be attached to the request for reimbursement. For more detailed information concerning tax-exempt and taxable purchases, visit the Accounts Payable and Travel web site, [Texas Sales Taxes on Purchases](https://www.txst.edu/gao/ap/resources/Texas-Sales-Taxes-on-Purchases.html).
10. Non-state appropriated funds may be used to reimburse tips or gratuity in addition to the cost of business-related meals. Funding from sponsored programs or other restricted funds may have additional requirements that prohibit the payment or reimbursement of gratuity. The gratuity must be identified as a line item on the receipt or invoice. Reimbursement will not exceed 20 percent of the total receipt or invoice, excluding sales tax.
    1. Specific exemptions from the requirements include the following:
11. purchases of food for use in academic laboratories;
12. purchases of food for resale;
13. purchases of food or feed for consumption by animals;
14. reimbursement of meals associated with official employee or prospective employee travel under Texas State travel rules and regulations;
15. food allowances for athletes, athletic recruits, and food purchases associated with game expenses paid by the Texas State Athletic Department;
16. payments for student travel on educational field trips when students pay for the travel;
17. purchases for the operation of the Texas State Child Development Center;
18. expenditures for food or refreshments for camps and continuing education or professional development conferences, seminars, and short courses if attendee registration fees also covered the cost of these items;
19. student events that are officially sponsored by the division of Student Success;
20. purchases of bottled water up to and including five-gallon bottled water and water cooler rental, as well as coffee and tea; and
21. purchases of food and refreshments from agency funds.
    1. Any catered event must comply with [UPPS No. 05.03.02](https://policies.txst.edu/university-policies/05-03-02.html), Catered Events.
    2. Exceptions to this policy may only be made with approval from the president or the division vice president. Approval of the exception must be indicated on the payment document. The approval role cannot be delegated by the division vice president.
22. **REVIEWERS OF THIS PPS**

05.01 Reviewers of this UPPS include the following:

# Position Date

Director, Accounts Payable April 1 E5Y

and Travel

Director, Payroll and Tax Compliance April 1 E5Y

1. **CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Director, Accounts Payable and Travel; senior reviewer of this PPS

Associate Vice President for Financial Services

Executive Vice President for Operations and Chief Financial Officer

President