BOALT HALL

SCHOOL OF LAW
UNIVERSITY OF CALIFORNIA, BERKELEY

# How to Report Expenditures for Entertainment, Business Meetings and Other Occasions

**Entertainment** expenditures are for meals, light refreshments and related services (such as room and equipment rental fees, decorations, and flowers) incurred in connection with social and recreational activities and events in support of the University's mission. **Business meeting** expenditures include meals or light refreshments and related services incurred in connection with meetings of employees to conduct official University business. In this flyer, **event** refers to an event, meeting, conference or other occasion or activity.

**NEW!** An **Event Planner credit card** is now available to pay for all costs associated with Law School conferences, meetings and other events, including catering, rentals, and supplies. Before you use personal funds to pay for these expenses, contact Business Services via *orders@law.berkeley.edu* to arrange to have your vendors paid quickly and directly via our Event Planner card.

| Business Purpose | What you need to know: |
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| **Per Internal Revenue Code, your event must be directly related to or associated with the active conduct of official business** in order for you to receive tax-exempt reimbursement of your entertainment expenditures.<br>**You should obtain approval in advance** from an appropriate department or work group authority if you plan to provide meals or light refreshments at your event.<br>**Serving alcohol is restricted** – check with your department or work group in advance. Under no circumstances should personal expenses be charged to, or temporarily funded by, the University. | Along with your receipts, **provide a copy of any document that describes the event**, such as a program, agenda, invitation, flyer, announcement, or e-mail message. This is the easiest way to explain the business purpose without any extra effort on your part.<br>At the very least, provide the complete title of the event (avoid acronyms) and a short description of the business conducted, if this isn't obvious from the event title or attached document.<br>Be aware of **maximum per-person expenditures** for meals and light refreshments: breakfast $26, lunch $38, dinner $64 and light refreshments $17. Your department or work group may have established lower maximums, so check before you spend. |
| **Official Host** | **What you need to know:** |
| A **host** is a University employee or student who serves as a University representative at an official entertainment event. | In order to qualify as a host, you must be **physically present** at the event and **certify that the event was business related** on the reimbursement request. |
| **Guests** | **What you need to know:** |
| A **guest** is a person who renders a service to the University or to whom the University wishes to extend goodwill and who is present at a University event at the invitation of a University official authorized to host the activity. A guest may also include an employee from another work location. | A list of your guests is required for reimbursement. Here are some easy ways to provide a guest list:<br>• Meeting sign-in sheet (optional, at host's discretion)<br>• Participant or attendee list (names of those who attended)<br>• Invitation list (names to whom invitations were sent, large event, not practical to get names of those attending)<br>• Brief explanation why no list is available (event was open to general public, entire campus community was invited, etc.) |
| **Spouses or Partners of Host or Guests** | **What you need to know:** |
| The cost of meals or light refreshments provided to **spouses or partners of hosts or guests** may be reimbursed, provided the expenditure serves a bona fide business purpose –the spouses or partners had a significant role in the proceedings or made an important contribution to the success of the event. Examples include ceremonial functions, fundraising events, alumni gatherings, and community and recruiting events. Reimbursement of these expenses is considered "exceptional" (an exception to the general policy governing entertainment) and requests typically **require the Dean's approval in advance**. | Along with receipts, **provide a copy of an agenda, invitation or similar document requesting that spouses or partners attend** the event. If spouses or partners did not meet the business purpose criteria, their expenses are ineligible and should be deleted from the reimbursement request.<br>**If a spouse or partner is also a member of the Law School community** (faculty, student or staff) and is attending the event in their official capacity, explain this in a statement on the guest list: "Jane Doe, spouse of John Doe, attended the New Student Reception in her capacity as Professor of Law in the Jurisprudence and Social Policy Program." |

| Business Meeting Hospitality | What you need to know: |
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| Reimbursement for meals and light refreshments provided in connection with business meetings involving University employees is allowed when the **expenses occur infrequently**, are **reasonable and appropriate to the business conducted**, and benefit the University.<br>Examples include meetings with a scheduled luncheon speaker, meetings where participants work through the lunch period, or circumstances where it would be too time-consuming or disruptive to event continuity for participants to take a meal break away from the meeting location.<br>**No reimbursement** can be made when employees go to lunch together and their business is an incidental part of the meal, or when meals are provided as a matter of personal convenience only. | Obtain approval in advance to provide refreshments at your meeting. **Get receipts (or an invoice) for your purchases** – a "receipt" is any document that contains these five required elements:<br>1. Name of vendor (person or company you paid)<br>2. Amount paid<br>3. Transaction date (when you paid)<br>4. Itemized escription of goods or services purchased (what you bought). If paying by credit card, submit both the signature chit and the itemized chit listing menu items ordered.<br>5. Form of payment (cash, check, credit card). This is not applicable if submitting an invoice for direct payment.<br>When receipts are provided, no other proofs of payment are required. **If a receipt cannot be obtained or was lost**, include a statement explaining why the receipt is not being provided and certifying that the amount claimed is the amount actually paid. |
| **Employee Morale-Building Activities** | **What you need to know:** |
| The cost of meals or light refreshments for official employee morale-building activities that serve a University business purpose may be reimbursed as an exception to general policy and typically **require the Dean's approval**.<br>Examples include a gathering to honor a departing employee with at least five years of service, employee recognition receptions, annual picnics, and holiday gatherings. | Obtain approval in advance for your activity from the Dean's Office or other appropriate authority. **Contact Business Services in advance to establish purchase orders** with your selected vendors, or to have our Buyer use the Event Planner credit card on your behalf to pay for your purchases.<br>**Get receipts for purchases** you make (see "Business Meeting Hospitality" above).<br>Birthdays, weddings, or farewell gatherings for employees with less than five years of service are **not eligible** for reimbursement. |
| **Meals Provided to Students** | **What you need to know:** |
| The University may provide meals or light refreshments to students in support of the University's educational program. Eligible activities include classes; study hall; other academic-based activities; orientation programs; commencement exercises; and student meetings. | Obtain approval in advance from an appropriate authority in your department or work group to provide refreshments at your event. **Get receipts for your purchases** (see "Business Meeting Hospitality" above). |
| **Approval of Expenditures** | **What you need to know:** |
| In approving a request to reimburse an employee, the approving authority determines that the expenditure:<br>• Serves a clear and necessary business purpose of benefit to the University.<br>• Is reasonable and in accordance with the best use of University funds.<br>• Is allowable under IRS regulations and does not create taxable income for an employee or student.<br>• Funds are available and the expenditure is allowable under the specified fund source.<br>• Any equally-effective alternatives for accomplishing the desired objectives were considered. | A request for reimbursement must include the following elements – check with your supervisor, work group administrator, or Business Services for assistance with the preferred form to use:<br>1. **Type of expense** (breakfast, lunch, dinner, or light refreshments).<br>2. **Description** of the business purpose.<br>3. **Guest list** indicating the total number and names of participants and a description of their business affiliitation with the University (see "Guests" on this flyer).<br>4. **Date and location** of the event.<br>5. **Original receipts** (see "Business Meeting Hospitality" above).<br>6. **Signature of the host** on the certifying statement.<br>7. **Signature** and printed name and department of the **approving authority**. |

*Revised 12/26/07*