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Purchasing

Entertainment and Gift Policy

Revised February 2019

PURPOSE

This policy sets forth basic, consistent, University-wide standards for payment of non-travel business meals, refreshments, gifts, and other hospitality expenses with University funds. Non-travel business would include hosting official guests, training sessions, conferences, or other University-sponsored events to conduct official Clark University business. Clark University recognizes the importance of conducting business meetings, outreach and community events intended to further the University's mission. However, employees must be cognizant of budget constraints and appearances when spending University funds on meals and refreshments for these events and ensure that all purchases are necessary to meet the mission and objectives of the University. Clark's policy is developed in light of IRS rules so that entertainment and food expenses do not have to be treated as taxable compensation to employees as long as this policy is followed.

This policy does not cover meals while travelling or for single day trips. Please refer to [Clark's Travel Expense Policy](#).

For additional information regarding this policy please visit [frequently asked questions](#).

SCOPE

This policy and its procedures apply to all individuals whose entertainment expenses are paid by the University or by grant, award, or other external funding source. If expenses are charged to a sponsored project, the grant or contract guidelines must take precedence if they are more restrictive than University policy.

At their discretion, departments may impose more restrictive guidelines for budgetary or control reasons.

If a proposed expenditure is not listed in this policy, the following standards should guide the final expenditure decision:

- There must be an approved budget line for such expenditures.
- Each department, unit, and approving official must exercise prudent judgment to ensure that the commitment of University funds is appropriate and essential for business meetings and entertainment/hosting functions.
- Business meeting expenditures incurred by University employees and on behalf of non-employees must support the University's academic, institutional, or public service mission.
- The expenditure must not be personal in nature.
- The expenditure must not be used as additional compensation (e.g., bonuses, cash, gifts, prizes, awards, etc.).

MEAL AND REFRESHMENT EXPENSES

Meals or refreshments may be provided at University sponsored events with a documented business purpose which are intended to further the University's mission. Meetings or conferences must have at least one Clark employee present.

Expenses for local dining involving non-University personnel (trustees, donors, alumni, parents, vendors, job candidates, professional guests, etc.) are reimbursable when the purpose of the meeting is to conduct University business.

On-campus meals may be provided for meetings that include only employees if there is no alternative except to hold the meeting during a meal time, if there is a clearly defined business purpose, and if prior approval is obtained from the President, Provost, or the Executive Vice President for Planning and Finance.

Expenses should be reasonable in relation to the nature of the function and the resulting University benefit expected to be derived from the expenditure (generally for lunch not to exceed \$15 per person). To be reimbursed for meals, an itemized receipt is required - a credit card receipt that does not include an itemized list of what was purchased is not sufficient.

The IRS requires that all business meal expenditures must document the following information:

- List of attendees
- The business purpose of the meal (topic of discussion)
- The cost supported by detailed receipt(s)
- The location
- The date
- Description of meal (i.e. lunch, dinner)

Shared lunch or dinner among only faculty and staff (on or off campus) is not an allowable expense even if some University business is discussed.

Administrative department heads or academic chairs can authorize the use of University funds in department budgets to provide light refreshments for occasional group faculty/staff meetings

The University may pay for or reimburse costs for meals or refreshments associated with employee appreciation activities open to all University personnel such as gatherings to honor a retiring employee or one who is separating from employment after several years of University service, employee recognition receptions, and new employee receptions. The lobby of the Shaich Family Alumni and Student Engagement Center is not an appropriate location for employee appreciation events, which should be held in a more suitable location on campus. University funds may not be used for occasions such as holiday celebrations, employee birthdays, weddings, anniversaries, or other celebrations of a personal nature, which should instead be funded by faculty/staff contributions or by a pot luck meal.

Expenditures associated with University-wide employee functions held by the President and/or Human Resources are considered appropriate use of University funds.

GIFTS TO FACULTY, STAFF, OR STUDENTS

Except for faculty or staff recognition gifts purchased by the Human Resources department, no gifts to faculty, staff, or students will be reimbursable from University accounts. Small gifts to staff or student employees are a personal decision that should be funded by personal funds or from a collection of donations from departmental members.

Upon the death of an employee or an employee's immediate family member, a floral arrangement or suitable gift of condolence will be made on behalf of the University by the Human Resources department. Any additional condolence gifts should not to be purchased with University funds, but should be financed through voluntary contributions.

SPECIAL SITUATIONS/EXCEPTIONS

Invoices and requests for reimbursement not in accordance with this policy must be approved by the President, Provost, or the Executive Vice President for Planning and Finance. Please note that exceptions that are not in accordance with IRS regulations may result in taxable income that will be reported as earnings on an employee's W2.