

## Account Payable

### 7.1 Purchased Meals/Refreshments (Other than Travel)

Policy:  
BP7400

Purpose:

This guideline provides State Center Community College District staff direction in the manner and extent public funds may be expended for the purposes of business-related meals and/or food purchases. The District must ensure the funds are used judiciously and appropriately in support of its business activities. This guideline is also designed so that these expenses are in compliance with federal cost regulations under Office of Management and Budget (OMB) Uniformed Guidelines, and the Internal Revenue Code.

No set of guidelines can contemplate every possible scenario that may arise. It is expected that District employees will act in an ethical and responsible manner, regardless of whether a particular rule or guideline statement addresses a specific situation. This guideline is intended to be consistent with the District's Travel and Conference guideline.

Given today's environment regarding public spending all meal/food purchases should be reasonable and necessary. Consider how the meal/food purchase would be perceived by the public. Ask yourself, is this purchase a good use of taxpayer dollars.

Procedures:

#### General Rules

1. An approved requisition is required for all food purchases.
2. Receipts ARE required. To comply with the IRS rules, an original itemized receipt must be submitted.
3. Cost reimbursements are limited to the District's reimbursement rates per person, unless otherwise indicated or exclusive food service agreement at the campus. See Appendix 7A for the reimbursement rates.
4. Tips are reimbursed up to 20%, unless the provider has automatically charged gratuity. Total meal cost per person should not exceed the reimbursement rate.
5. Alcohol is not a reimbursable expense.
6. Any exceptions to the purchased meal/refreshment guideline can be approved by the Chancellor or Vice Chancellor, Finance and Administration.

#### Meetings/Hosted Events

A clearly substantiated business purpose should exist for any meal to be purchased with District funds. Meal purchases with 100% District employees to discuss District business are not encouraged. When developing the agenda, every effort to schedule sufficient meal periods should be made, unless there exists a lack of establishments (including campus cafeteria) within an approximate 10-minute drive.

Given today's environment of public spending, meetings with purchased meal/food items should be an exception and not a regular occurrence.

Requirements for purchased meal/food for meetings include:

1. Sign-in sheet and meeting agenda.
2. Meeting times:
  - a. Meeting should begin before 8 a.m. to claim breakfast.
  - b. Meeting should begin before 11 a.m. AND end after 2 p.m. to claim lunch.
  - c. Meeting should begin before 5 p.m. and end after 7 p.m. to claim dinner.
3. Justification must be provided for meals provided to SCCCD employee only meetings.
  - a. Breakfast: This expense should be a rare occurrence as it is expected that most employees should have sufficient time to obtain breakfast on their own before morning meetings begin.
  - b. Lunch and Dinner: Proving lunch or dinner is considered reasonable when justification is provided stating that such activity maintains the continuity of the meeting and to do otherwise will impose difficult conditions on the meeting participants.
  - c. Examples:
    - Allowable expense;
      - Districtwide or campus wide meeting that is held infrequent, e.g. quarterly, and the purpose of the meal is networking.
      - Advisory committee meetings
    - Unallowable expense;
      - Coffee and pastries at a regular scheduled meeting.
      - Buying food solely to increase attendance of the meeting.
  - d. To avoid excessive food cost, a method to determine how much food to order should be utilized, i.e. RSVP, past experience, etc.

## Receptions

There are times when the District hosts receptions and refreshments may be served. Requirements for refreshment purchases are:

1. State the business purpose on the requisition or food order.
2. Estimate the number of people in attendance. If possible, to avoid excessive food cost, an RSVP is encouraged or estimates could be based on past experience.

Examples of receptions are: recognition ceremonies, community events, and outreach events.

## Business Relations

On occasion, staff may be required to host an individual for business purposes (i.e. hosting a potential presidential candidate). Staff should show prudence and fiscal responsibility in their choice of restaurant. High-end establishments should be avoided, unless circumstances dictate that it is an appropriate choice.

1. Receipts are required. Write on the receipt or attached paper:
  - a. Business purpose.
  - b. List the names of all persons for which meals are paid.
2. Only reasonable meal costs will be reimbursed.
3. Alcohol is not a reimbursable expense.
4. The District will not reimburse for your spouse or significant other.
5. Exception to the general rules, the cost per person can exceed the District's reimbursement rates.

## **Grant Funded Meals/Refreshments**

Refer to your grant rules for allowable costs. Budget approval by the grant monitor does not constitute expense approval. The grant rules may differ from District guideline, typically the more restrictive rules must be followed; unless it is part of your program plan, an allowable grant expense, or your grant monitor has given written approval.

### **Definitions**

- Meals - Food served at one of the customary, regular occasions for eating food during the day, such as breakfast, lunch, or dinner. The meal can be provided by a caterer, restaurant, or other establishment.
- Refreshments - Normally an assortment of smaller sized food or drinks, which can be referred to as a snack. Refreshments may include, but are not limited to, continental breakfast, cookies, fruit, light appetizers, coffee, tea, and/or water. Cost per person should not exceed the District's reimbursement rate for breakfast, see Appendix 7A.