Purpose of Policy

By providing a uniform approach to approval and control of business and entertainment expenses, this policy promotes the proper stewardship of university funds by employees of the University of Massachusetts Boston (UMass Boston).

This policy adheres particularly to two policies established by the University of Massachusetts Board of Trustees: Policy for Management of University Funds, Doc.T92-031(BoT) and Business Expense Policy, Doc. T92-031, Appendix C (BoT), as well as to federal and state laws and regulations.

Please note that this policy applies to all funds acquired by the university, regardless of the source or the manner in which they are acquired, including for example, grants, research trust fund (RTF), educational sales and service (ESS), general operating funds (GOF), state appropriations and donation/gift funds. All other University of Massachusetts system and UMass Boston policies and documentation regarding budgeting, the Office of Contracts and Compliance, the Office of the Controller, and the Office of Research and Sponsored Programs apply to the expenses identified in this document.

Applicable to:

This policy applies to expenses incurred by duly authorized UMass Boston employees conducting university business using university funds. It applies to all UMass Boston departments and offices. The Chancellor's Office is governed by the University Executive Compensation Package for University President and Campus Chancellors, and other applicable Board of Trustee policies. The Chancellor has additional discretion for executive level events and activities.
Policy Highlights

- This policy is designed to assist employees to practice sound, economical management when initiating or approving business expenses using university funds. It is an important part of the university’s effort, which includes review of business expenses, to ensure the best uses of limited resources.
- University funds may be used for necessary food and beverage expenditures in accordance with this policy. Expenditures in excess of $1,000 require pre-approval. Refer to Section 6 for Pre-Approval procedures.

Definitions

University funds: Any and all financial resources allocated, negotiated, earned or collected by the university to further the missions of research, teaching and public service. (BoT) All such funds, regardless of the source or the manner in which they are acquired, are considered to be university funds. (BoT) These are public funds.

Business and entertainment expenses: Expenses that are reasonable, necessary, have a clear business purpose, and are used for:

- the purpose of recruiting potential employees, soliciting prospective donors or sponsors, and hosting official guests when necessary for the conduct of University/campus business; (BoT)
- meetings of regular University/campus committees, which may involve only participants from a single location, and which are documented as part of a working session necessitated by travel requirements, schedule conflicts or other unavoidable circumstances solely for the benefit of the institution; (BoT)
- institutional events, including recognition/morale activities, public relations/development/fund-raising events, conferences/retreats/seminars, and activities in conjunction with various ceremonials and official events; (BoT)
- tickets for sports, theater, charitable/civic and other events for the entertainment of institutional donors, alumni, students, guests, and visitors. In all cases the expenses must be shown to benefit the mission of the institution or directly support its programs. (BoT)

This definition applies whether or not an employee incurring an expense is on UMass Boston travel status.
Food and beverage expenditures: Purchases of food and beverages for use on or off campus at a single university event or a series of related university events with similar purposes.

University events or functions: These may be campus-wide or on a smaller scale, and may take place on or off campus. They include
- ceremonial and official functions,
- conferences, retreats, and seminars,
- morale activities,
- business meetings,
- events for recruiting prospective employees,
- events for recruiting prospective students,
- various student events held in conjunction with student activities,
- events promoting community engagement and research collaboration with external sponsors, and
- meetings and conferences of external organizations when the university is the principal sponsor.

NOTE: A retirement gathering is not a university event.

Policy:

This Business Expense Policy is applicable to all university funds. Certain funds may carry additional external restrictions that must also be adhered to. In all cases UMass Boston purchasing policies must be followed. Deans, directors, and department heads are responsible for their departments’ compliance with this policy.

Expenses must have a clear business purpose and be directly related to the goals and mission of the university/campus. (BoT)

Expenses must be reasonable and appropriate under the circumstances and in moderation and good taste. (BoT) Employees are expected to practice sound, economical management when initiating or approving food and beverage expenditures with university funds. UMass Boston regularly reviews food and beverage (alcoholic and non-alcoholic) expenditures at events on and off campus.

Food and beverage expenses in excess of $1,000, for use at any university event or any series of related events with similar purposes, require documented pre-approval by a
dean, vice provost, vice chancellor, or chancellor, as appropriate. Refer to Section 6 for Pre-Approval procedures.

Expenses for spouses are not paid for with university funds except as allowed in the Executive Compensation Policy (when approved) or as part of an institutional event which has received prior approval. (BoT)

Expenditures for political contributions are prohibited. (BoT)

Personal gifts showing gratitude to another employee may not be purchased with university funds. (BoT)

Personal gifts showing gratitude or concern to a student may not be purchased with university funds.

Contributions and gifts given to external organizations by the university must be approved by the chancellor, vice chancellor, or designee. Written approval must accompany any documentation for any such expenditure. (BoT)

This policy also applies to employees and students conducting university business while on travel status.

Expenses must be fully documented and approved in accordance with UMass Boston policies and the CON-04 Business Entertainment Expense Authorization Form. The CON-04 form is necessary to document and authorize business expenses regardless of payment method (e.g., PO, NPO, procard, or employee reimbursement).

The CON-07 Employee Business Expense Reimbursement Form is additionally required when the payment method is employee reimbursement.

The University expects to provide faculty and staff with a work environment that is professional and supportive. The University departments will provide faculty and staff with work related goods and services in order to carry out their mission for the University. The department finance administrative staff person is available to handle all requests. Employees do not need to use their personal funds to purchase work related goods and service.
Policy Specifics

1) Food and Beverage Provided at University Functions

University funds may be used for meals or light refreshments provided this is done in connection with business meetings and other university functions involving university employees conducting official university business under the following guidelines:

- Meals (breakfast, lunch, and dinner) should not be provided at regular business meetings attended only by university employees unless the meetings are held during meal times in order to accommodate an extended agenda or unless participants could not meet during regular business hours. Meals should not be served more than once a month to the same group of participants. Exceptions require pre-approval.

- Light refreshments (coffee, soda, and other non-alcoholic beverages, and pastries, fruit, snacks, and similar foods) may be paid for when participants are from more than one department, or when at least one participant is from off campus, or when the meeting is scheduled to accommodate maximum faculty and staff attendance.

- Meals during working hours, including "working meals" where one employee takes another employee to breakfast, lunch, or dinner (BoT) should not be paid for with university funds. Thus using university funds to pay for one-on-one business meals at any time is prohibited when the meals are shared by two employees of the university. This rule applies to employees on UMass Boston travel business as well.

- University employees in travel status may be reimbursed for the reasonable cost of a meal while conducting a business meeting (See Section 2 for “Guidelines for Reasonable Per-Person Business-Meeting Meal Rates.”). An individual’s meals while traveling are otherwise reimbursed according to the per diem rate in the university travel policy (see FY09-CON-002 - Travel Policy and Procedure). Massachusetts sales taxes are not reimbursable when an employee has expended personal funds for the purchase.
2) Guidelines for Reasonable Per-Person Business-Meeting Meal Rates*:

Food and/or beverages for business meetings at restaurants and catered events on or off campus must be purchased within the following guidelines:

<table>
<thead>
<tr>
<th>Type of Meal</th>
<th>Rate Per Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast or Light Refreshments</td>
<td>$20.00</td>
</tr>
<tr>
<td>Reception</td>
<td>$25.00</td>
</tr>
<tr>
<td>Casual meal</td>
<td>$30.00</td>
</tr>
<tr>
<td>Plated/Served formal meal</td>
<td>$60.00</td>
</tr>
</tbody>
</table>

Anytime of day:

These per-person rates include costs of food and non-alcoholic beverages, service, catering, paper products, and tips. “Light refreshments” means coffee, soda, and other non-alcoholic beverages, and pastries, fruit, snacks, and similar foods.

The Office of University Advancement is exempt from these rate requirements when hosting prospective donors.

*These rates are for business meetings only. When an employee is on travel status and not sponsoring a business meeting, the regular travel meal rates apply. For conferences and trainings conducted at hotels or other similar venues, the rate per person will be determined by the bidding or quote process in accordance with the Purchase of Goods Policy Number FY10-PRC-001-00.

3) Alcohol Use—On and Off Campus

The Board of Trustee policy on business expenses states: “Purchase of alcoholic beverages is highly discouraged due to the expense and potential liabilities involved. However, when written authorization is obtained prior to the event, purchase may be made through Food Services or their approved substitute.” For UMass Boston, the “approved substitute” is the campus’s current food service provider or other approved caterers. The university may purchase the alcohol directly, but it must be transported and controlled by the caterer. The following additional rules apply:
• Meals or functions that involve alcohol on campus must be managed in conformance with the University of Massachusetts and UMass Boston alcohol policy at [https://www.umb.edu/news_events_media/events/special/policies/alcohol](https://www.umb.edu/news_events_media/events/special/policies/alcohol)

• Once the vice chancellor for student affairs and chief of public safety approve the request to serve alcohol, university funds may be used for the purchase of alcohol served on campus.

• If alcohol is approved for on-campus use, it must be served by the caterer and remain under the caterer’s control before, during, and after the event.

University funds may be used for the purchase of alcohol served off campus, if pre-approved by the chancellor or vice chancellor, whichever one applies.

4) Other Occasions

University funds may not be used for occasions such as holidays or birthdays, weddings, baby showers, anniversaries, illnesses or other occasions of a personal nature.

University funds may not be used for gatherings for standard employee separations (ie. going away party for an employee leaving employment, but not retiring.)

For an employee retirement gathering, however, light refreshments and non-alcoholic beverages may be purchased for a modest sum commensurate with the nature of the event and the employee’s contribution to the university, but in no case greater than $1,000. This amount cannot be exceeded (see Section 6).

Employees may personally contribute to occasions, as appropriate.

5) Gifts or Awards to Employees

"Gifts to University employees other than those provided through official recognition programs authorized by the Human Resources Department”(BoT) should not be purchased with university funds.

5A. Non-Cash Gifts or Awards to Employees
The following official recognition programs are authorized by the UMass Boston Office of Human Resources:

- **Years of Service Awards.** Such programs are considered official when organized by the Office of Human Resources.
- **Department Employee Recognition.** Departments are delegated the authority to recognize an employee in regards to outstanding work-related accomplishments at a cost of up to $100/award (such as with a plaque or book). For purposes of this policy, gift cards are not allowed.
- **Retirement.** When an employee retires from UMass Boston, the employee receives the gift of a personalized university chair. The employee may choose instead to donate the cost of the chair to a UMass Boston scholarship fund or UMass Boston departmental fund.
- **Memorials.** In the event of the death of a UMass Boston employee, the Office of Human Resources will send flowers from the chancellor. In the event that the deceased employee’s family requests donations in lieu of flowers to a bona fide charity, the university may make such contribution to the designated charity in an amount not to exceed the cost of flowers. The Chancellor and Vice Chancellors have additional discretion to handle memorials. Contact the Vice Chancellor for Student Affairs for student memorials.

**Other Non-Cash Awards to Employees:**

- **Door Prizes.** If conducting a random drawing and the recipient is not pre-determined, the prize (iPod, UMB sweatshirt, gift card, etc.) may be given directly to the winner.

5B. **Cash Awards to Employees**

All cash awards to employees must be approved by the Office of Human Resources and paid through the payroll system.

6) **Pre-Approvals**

Purchases of the following kinds must be approved in advance by the university officials designated. Pre-approvals cannot be delegated.
• Expenses greater than $1,000 for food and beverages expenses for use at any university event or any series of related events with similar purposes, or functions: chancellor, vice chancellor, dean, or vice provost, whichever one applies. This section does not apply to retirement gatherings (see section 4).
• Meals served to the same group of participants more than once per month: dean, vice provost, vice chancellor, or chancellor, whichever one applies.
• Alcohol:
  o For on-campus pre-approval of alcohol use, the vice chancellor for student affairs and the chief of public safety have a formal application.
  o For off-campus pre-approval of alcohol use, obtain an email from the vice chancellor or chancellor, as applicable.
• Contributions and gifts to external organizations: chancellor or vice chancellor, as applicable.

Pre-approvals should be secured in addition to standard account signatory approvals. Pre-approvals should be made via email and attached to the requisition and the Business & Entertainment Expense Authorization Form.

7) Use of Personal Funds

Employees, as a general rule, should not use their own funds to purchase supplies and services on behalf of the University. See FY10-CON-003-01, Employee Business Expense Reimbursement Policy.

8) Enforcement and Consequences

Departments as well as individuals will be subject to appropriate sanctions for failing to handle expenditures according to the procedures set forth in this policy. Sanctions may include

• elimination of delegated purchasing authority, and/or
• reporting of incidents of non-compliance to the Office of Human Resources for appropriate remedial actions.

Procedure:

In addition to the FY10-CON-004 Vendor Payment Policy and Procedure, pre-approvals
described in Section 6 should be documented as follows:

- For Requisitions- attach the pre-approval email.
- For Business and Entertainment Expense Authorization Form-attach the pre-approval email.

### Business Expense Policy Approvals at a Glance

<table>
<thead>
<tr>
<th>Expenses using university funds requiring additional approvals</th>
<th>Dean</th>
<th>Vice Provost</th>
<th>Vice Chancellor</th>
<th>Chancellor</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and beverage expenses for university events in excess of $1,000</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Whichever one applies</td>
</tr>
<tr>
<td>Contributions and gifts to external organizations</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>Whichever one applies</td>
</tr>
<tr>
<td>Meals served more than once per month to the same participants</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Whichever one applies</td>
</tr>
<tr>
<td>Alcohol on campus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>VC for Student Affairs and Chief of Public Safety</td>
</tr>
<tr>
<td>Alcohol Off Campus</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>Whichever one applies</td>
</tr>
<tr>
<td>Employee Recognition and Years of Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Human Resources</td>
</tr>
<tr>
<td>Memorials other than from HR</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memorials for students</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>VC for Student Affairs</td>
</tr>
</tbody>
</table>
Expenses not Allowable

<table>
<thead>
<tr>
<th>Expenses that are not allowable using University Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political contributions</td>
</tr>
<tr>
<td>Personal gifts showing gratitude to another employee</td>
</tr>
<tr>
<td>One-on-one business meals with another university employee</td>
</tr>
<tr>
<td>Gathering for holidays or employee birthdays, weddings, baby showers, anniversaries or other occasions of a personal nature</td>
</tr>
<tr>
<td>Standard employee separations</td>
</tr>
<tr>
<td>Retirement gatherings &gt; $1,000</td>
</tr>
<tr>
<td>Retirement gifts other than the university chair or equal contribution</td>
</tr>
<tr>
<td>Expenses of Spouses</td>
</tr>
</tbody>
</table>

Oversight Department: Controller’s Office

Responsible Party within Department: Associate Controller for Fiscal Operations

Monitoring: Monitoring will be performed through pre- and post-audit review, as follows.

- In addition to the regular payment reviews, business expenses will be reviewed for the Business Expense Form and applicable Pre-approvals.
- In addition to the regular post-audit of procard reviews, the procard business expenses will be reviewed for the Business Expense Form and applicable Pre-approvals.
  - Policy will be re-issued and distributed annually to all employees.
  - Policy will be distributed during New Employee Orientation.
Authority:
- University Board of Trustees Policy
- President’s Office Standards
- University-wide Internal Control Plan
- UMass Boston Internal Control Plan
- UMass Boston Purchase of Goods Policy
- UMass Boston Controller’s Policies

Related Documents:
- Policy for Management of University Funds, Doc.T92-031(BoT)
- Business Expense Policy, Doc. T92-031, Appendix C (BoT)
- FY10-CON-004 - Vendor Payment Policy & Procedure
- FY10-CON-003 - Employee Expense Reimbursement
- FY09-CON-002 - Travel Policy and Procedure
- FY08-CON-001 - Vendor File Policy
- FY11-PRC-001 - Purchase of Goods