

## Accounting Handbook

### Expenditure Guidelines - Entertainment Policy and Guidelines

The administration of the University of Houston-Clear Lake recognizes that business entertainment is essential to the operation of the University. The purpose of this policy is to place this activity in proper focus, to prevent abuses, and to insure prudent control of these expenditures. Certain conditions which must be met and the general categories of business entertainment are set forth in the following sections of this document.

This policy shall apply to all funds of the University, except those funds appropriated by the State of Texas, which cannot be expended for these purposes under any circumstances. No entertainment expenses can be charged to contracts or grants for sponsored programs with the University unless such entertainment is specifically authorized by the terms of the contract or grant. Itemized receipts are required for all reimbursements.

#### 1. General Guidelines

1.1 The purpose of the entertainment must be business and not personal.

1.2 Entertainment expenditures must be documented to show the following:

1.2.1 Identification of the persons or group being entertained. If a small group is being entertained (ten or less), the names of all persons attending will be shown; for large groups, only the name or names of the honored guest or guests should be shown along with the number of persons attending.

1.2.2 A statement as to the reason for such entertainment, indicating how the entertainment benefited the University and clarifying the relationship of the persons in attendance to the particular aspects of the University's programs or activities which will be benefited. (Titles, committee names, field of interest of person being entertained, reason for visitor being on campus, etc.).

1.2.3 The place of entertainment.

1.3 Receipts for entertainment expenses are required for reimbursement to the faculty or staff member. If payment is to be made to a vendor, the normal invoice or statement of costs is required.

1.4 Payments cannot be made for entertainment expenditures unless the documentation is complete. A request for required documentation will be forwarded to the appropriate Business Coordinator when additional material is required. If appropriate action cannot be taken to properly document the expenditure, the individual staff or faculty member must bear the cost of the entertainment.

1.5 Requests for reimbursement of entertainment expenses not properly documented as required in these guidelines cannot be paid from any University funds, including gifts designated for a

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particular college or program. If a specific type of entertainment not authorized herein is authorized by a donor in writing, then such entertainment would be allowed as a charge against the specific gift in accordance with the desires of the donor.

- 1.6 Vouchers are certified by the originator and approved by the next level of supervision and the budget authority of the designated account then forwarded to Finance. In every case, the entertainment reimbursement must be approved by the official in higher authority than the highest-ranking person of the sponsoring group who is in attendance at the event. Approval signature indicates that all provisions of this expenditure document have been fully met and that the required written documentation is attached. Upon receipt, the voucher will be reviewed; and if approved, will be authorized for payment.
- 1.7 The President, or his designated representative, approves all expenses for the Vice Presidents and the President's executive level staff prior to authorization for payment.
- 1.8 All entertainment expenses, regardless of the dollar amount must be processed through the Accounts Payable System on a State of Texas Purchase Voucher. Please allow two weeks for the check to be processed.

## 2. Categories of Entertainment

- 2.1 Prospective Faculty and Staff. The University recruits in a highly competitive market for top faculty and staff. It is the policy of the University to invite prospective faculty or staff, and on occasion both candidate and spouse, to visit the campus. Travel and all other reasonable and necessary expenses for such activities will be reimbursed. However, prudence suggests that faculty and staff involved in this type of entertainment should be limited to:
  - 2.1.1 In case of faculty: key faculty, Assoc. Deans, Deans, or Academic Administration
  - 2.1.2 In case of Assoc. Deans: Deans, key faculty of the colleges and administrative officials; and
  - 2.1.3 In the case of recruitment of Deans: to members of the search committee, faculty as appropriate, Deans and administrative officials.
- 2.2 Official Guests of the University. The University is not normally expected to reimburse official guests for travel and related expenses, except where guests travel to the University on specific invitation. However, it is recognized that entertainment of guests is essential. Examples of official guests would include the following: visiting lecturers; visitors from foreign countries; representatives of research organizations; visitors from other universities; individuals interested in University programs and problems (potential donors); guests invited to assist in the development of new programs (both paid and non-paid consultants); and, business and community leaders in Houston, the Gulf Coast Region, and the state at large. The relationship between the visitor and the University staff or faculty attending the function or their areas of responsibility must be clearly indicated, particularly for those who are at the campus on specific

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business on behalf of the University. Direct-bill agreements with hotels need to be coordinated with Accounts Payable.

2.3 Conferences, Workshops, Meetings, Seminars etc. In the case of conferences and workshops conducted by the University which are supported by income from registration fees, all expenses, including entertainment, must be covered from the revenue produced by the event.

There are other conferences, workshops, meetings, seminars, etc., which are not self-sustaining. These are usually organized around:

2.3.1 University groups in combination with outside persons, or

2.3.2 Groups limited to University personnel on or off campus.

2.4 Entertainment expenses associated with these combination groups will be handled in the same way as those for official guests of the University and the rate schedule below.

2.5 Group meetings which are limited to University personnel only will be handled under the following rate schedule. Itemized receipts are required for reimbursement.

2.5.1 If the average per person rate does not exceed the following amounts no prior approval is required. (Effective 03/01/09)

Breakfast	\$20
Lunch	\$30
Dinner	\$45

If the rates are exceeded, without prior approval, reimbursement will be made as indicated above.

2.5.2 If the average per person rate is estimated to exceed the above, then prior written administrative approval from the responsible supervisor (a level above the person seeking reimbursement) is required for full reimbursement.

The administration must be assured, through appropriate documentation, that the workshop, conference, meeting, seminar, etc. is proper to the operation of the University and that provision of meals and/or refreshments will expedite the proceedings of such meetings.

2.6 Alcohol. Only discretionary funds may be used to purchase alcohol. Any use of university discretionary funds to purchase alcohol **must have prior written approval from the appropriate Vice President or President.**

2.7 Receptions. Receptions for the students, faculty, staff, alumni, and friends of the University held by the President or his designee shall be reimbursed as entertainment.

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- 2.8 The President may, from time to time hold meetings for administrative officers, Deans, Associate Deans, and faculty, including spouses, for the purpose of discussing items of general University interest which involve meals. Such meetings shall be reimbursed by the University as entertainment.
- 2.9 Club Memberships. In the case of certain officers, as designated by the Chancellor, who as part of the employment arrangements to carry out designated official responsibilities, have club dues paid in part by the University, all charges which are for business purposes can be reimbursed if they are documented in the manner prescribed herein prior to payment. Should there be charges of a personal nature, then the employee shall deduct that amount from his bill and remit that portion directly to the club. All memberships and/or clubs must be in the name of the University.
- 2.10 Tickets. Tickets to events and/or functions which benefit the University shall be reimbursed if approved by the President or his designee. Vouchers would require a justification statement.
- 2.11 Cash awards, prizes, and gifts to employees of any amount are taxable and must be paid through Payroll. Non-cash awards/prizes/gifts greater than \$50.00 or cash equivalent (example: gift certificates) of any amount are also taxable and must be paid through Accounts Payable. See [SAM 03.D.06](#) for additional guidelines. Categories of Business Related Expenses/Entertainment or Discretionary Expenditures. Itemized receipts are required for reimbursement.
- 2.11.1 Small Gifts - employee service awards, not exceeding \$50.00 each; distinguished guest/visitor.
  - 2.11.2 Flowers - for retirement, employee hospitalization or illness, birth of a child, death of an immediate family member.
  - 2.11.3 Tickets - business occasions when employee and/or spouse attendance is beneficial and necessary to the business purpose of the event.
  - 2.11.4 Meals - food and non-alcoholic beverages provided during a business meeting.
  - 2.11.5 Official Functions - occasions to honor exemplary employees, retirees, distinguished guests, speakers, openings of cultural arts events, etc. where food and beverages are provided.
  - 2.11.6 Accessories -for office decor, excluding seasonal items.
  - 2.11.7 Refreshments -purchase of coffee, pastries, sodas, etc., for business meetings. If total is less than \$20.00, reimbursement may be processed on a cash voucher.