

## **2361 TRAVEL AND ENTERTAINMENT REIMBURSEMENT POLICY- MEALS AND ENTERTAINMENT**

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**RESP. OFFICE: PURCHASING SERVICES**  
**APPROVAL: CHIEF PROCUREMENT OFFICER**  
**EFFECTIVE: MAY 1, 2009,**  
**LAST REVIEW/REVISION: MAY 1, 2009**

### **PURPOSE**

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To provide guidelines with regard to meals and entertainment when traveling or entertaining on behalf of the University.

Other policies are provided for specific travel and entertainment (T&E) topics in the policy number series 2351 through 2370 and are listed at 2351.1 Travel and Entertainment Reimbursement- Detail Listing.

### **SCOPE**

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The T&E policies and procedures apply to all individuals, including employees, students, and non-employees, traveling and entertaining on behalf of the University and seeking reimbursement for related expenses from the University regardless of the funding source.

### **TRAVELER AND ENTERTAINER RESPONSIBILITY**

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It is the responsibility of every Penn representative to act in a prudent and reasonable manner when entertaining on behalf of the University. Penn representatives are expected to be familiar with the meal guidelines listed below, to abide by those guidelines and to retain and submit itemized receipts for meals of \$25 or more.

### **RESPONSIBILITY OF APPROVERS**

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The TAC (Transaction Authorization Card) holder assists the travelers and entertainers, as well as their higher level approver, when applicable, with understanding and complying with the process outlined below and ensures that all documentation requirements have been met prior to submission of reimbursement requests to the central processing organization.

It is the responsibility of the TAC holder to ensure that a completed Entertainment and Business Meal Worksheet (C-1A) has been attached listing the date of the business meal or function, location, person or persons entertained and their affiliation, business purpose and amount. It is also the responsibility of the authorized signer to ensure that any alcoholic beverages are charged to the correct object code, 5214, since they are unallowable expenses for indirect cost allocations.

## POLICY

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Personal meals are defined as meal expenses incurred when traveling on an out-of-town business trip. Meal reimbursements will commence from the time you leave home until your return. Travelers will be reimbursed for personal meal expenses provided they are documented and reasonable. In general, meals should be taken at the most economical restaurant fitting the occasion.

- 1) Meal reimbursements, as a general rule, should not exceed the applicable federal daily per diem meal rate. It is acceptable to use the federal meal per diem rate in lieu of claiming actual meal costs. For a complete listing of domestic per diem rates, [click here](#).
- 2) When not using the meal per diem rates, any meal that costs \$25 or more must be supported by original itemized restaurant receipts.
- 3) If a meal is provided by a conference as part of the conference fees and a traveler elects to purchase a meal independent of the conference, such meals will be considered a personal expense and will not be reimbursed.
- 4) Alcoholic beverages consumed while traveling will not be reimbursed unless purchased in conjunction with necessary business entertainment. Alcoholic beverages cannot be reimbursed from federal grants or contracts.

Business meals are meals with a clearly substantiated business purpose and are directly associated with the active conduct of University business. At a business meal the business discussion is the primary purpose of the meal. Examples of business meals include meetings with business associates, professional colleagues, students and others at which a bona fide business discussion takes place.

- 1) Business meals or entertainment costs where the business purpose is to conduct local, state or federal lobbying activities must be separately identified and charged to object code 5336.
- 2) The frequency and number of local business meals should be limited. Acceptable reasons for local business meals include:
  - a) Meals with a guest speaker or lecturer. These meals should be limited in terms of number of attendees and total cost. The cost of these meals should not exceed \$35 per person for lunch or \$80 per person for dinner (including alcohol, taxes and gratuities)\*. In certain circumstances, these guidelines can be exceeded, but special circumstances must be documented in writing on a Reimbursement Justification form and approved by the head of the school or center (or designated representative).
  - b) Meals with a prospective faculty, staff or student recruit. These meals are expected to be limited in number of attendees and total cost. The cost of these meals should not exceed \$35 per person for lunch or \$80 per person for dinner (including alcohol, taxes and gratuities)\*. In certain circumstances, these guidelines can be exceeded, but special circumstances must be documented in writing on a Reimbursement Justification form and approved by the head of the school or center (or designated representative).
  - c) Meals with other Penn colleagues in local restaurants are generally not reimbursable. Local meals with colleagues should be considered a personal expense unless the business being conducted is such that it cannot be done in the office. An explanation of the reason as to why the meeting could not take place in the office must be provided on the Reimbursement Justification form.

\* Note: Schools/centers and departments may, at their discretion, elect to establish lower per person limits.

- 3) For those instances where individuals are required to work during normal meal breaks, e.g. lunch hour, meals or refreshments with other Penn colleagues in offices/labs for working meetings are acceptable and considered a reimbursable expense.
- 4) The number of persons comprising the group involved in the local business meal should be limited to the host, the guest and two to three other Penn colleagues or affiliates. If the party is larger than three or four people, then a less expensive restaurant should be chosen.
- 5) The alcohol portion of any meal must be charged to object code 5214. Meals can be charged to 5209 or 5214 depending on the business purpose of the meal. Restaurants chosen for dinners should be reasonably priced and alcohol, if consumed, should be moderately priced. Local meals that do not meet these guidelines will be considered "unreasonable" and the form will be returned for a completed and approved Reimbursement Justification form.
- 6) Employees will be reimbursed for business-related meals with other employees in the following circumstances:
  - when dining with other employees on an out-of-town trip, such as at a conference; or
  - when authorized by the department for staff reward or recognition.
- 7) Entertainment expenses that are non-reimbursable include parties or meals for birthdays, weddings, births, administrative professional's day, or bosses day.
- 8) Alcoholic beverages consumed during business meals and/or meetings should be kept reasonable.
  - a) Alcoholic beverages purchased when traveling on University business or during local business meals will only be reimbursed if purchased in conjunction with necessary business entertainment.
  - b) Alcoholic beverages are unallowable for indirect cost allocation purposes. For all University sponsored events at which alcohol is served, e.g. meetings, conferences, receptions, parties, retirements, fund raisers, etc, the alcohol costs must be considered entertainment and charged to object code 5214.
  - c) Alcoholic beverages that are used for entertainment functions in Pennsylvania must be purchased in Pennsylvania. For policy and procedures related to the purchase of alcoholic beverages for local events, go to the Purchasing website at: <http://www.purchasing.upenn.edu/buyinfo/how-to-buy-wine-spirits.php>.
  - d) If alcohol is being served at a University sponsored meeting, the alcohol must be charged to entertainment (5214), but the meeting expenses can be charged to University sponsored meetings and conferences (5211).
- 9) Entertainment expenses are those expenses incurred during a meal or an event that is business-related but social or celebratory in nature. Entertainment expenses include food and beverages, alcohol, catering services, banquet facilities, decorations and musical groups. Payments to a caterer, facility or transportation provider must be processed against a purchase order issued through Purchasing.
  - a) When paying a performer for services rendered at an event, e.g. a pianist or vocalist, the performer must be paid as an independent contractor through Individual Disbursement Services. These individuals cannot be paid directly by a University employee. For information on how to pay independent contractors, see: [http://www.finance.upenn.edu/comptroller/tax/contractor\\_guide.shtml](http://www.finance.upenn.edu/comptroller/tax/contractor_guide.shtml).

[Click here](#) for Chapter 4 in the Procedure Manual. How to Complete a T&E Reimbursement (C-1) form.