Important!
You must check-in to receive credit in your training history

Three ways for you to check-in:
- Click link in Chat Box provided by facilitator
- Use QR code (open camera on your smart phone)
- Open your browser and type in the web address below

https://mytraining.utsa.edu/apps/checkin

If you get an alert that you are not enrolled in the class, please let your facilitator know.

Enjoy your class!
Business-Related Hospitality and Entertainment Expenditures Policy (AM 0553)

Disbursements & Travel Services
disbursements.travel@utsa.edu

(210) 458-4213 – main line  (210) 458-4236 – fax

Summer 2022
Purpose/Scope

To ensure that expenditures of university funds for hospitality and entertainment support the institutional mission with a clear business purpose.
Governing Authority

• Board of Regents’ Rule and Regulations
• Rules 20101 and 20205
• IRS compliance
• Entertainment expenditures are subject to periodic review by Internal Audit
• Financial Guidelines (FG)
What are business-related hospitality and entertainment expenditures?

- Occasions when the extension of hospitality in connection with official university business is in the best interest of UTSA
- Expenses related to hospitality and entertainment that support the institutional mission with a clear business purpose
- Hospitality expenses directly related to or associated with the active conduct of official university business
Allowable Expenditures

As a public institution, authorized UTSA officials must exercise prudent business judgment when reviewing proposed expenditures for food, beverage and incidental costs based on:

- Allowability - (meets the “directly-related or associated” test per IRS regulations)
- Availability of funds
- Benefit to UTSA
- Appropriateness of funding source
- Reasonableness
Expense Types

- Expenditure of funds to provide meals, light refreshments or entertainment, including any food items, catering, beverages, floral arrangements, paper or plastic service ware and related cost must comply with one or more of the direct purposes described:
Expense Types

1. Administrative/Business/Organization Meetings
   - Meetings or events held to promote or communicate intellectual ideas
   - Exchange UTSA administrative and operational information on programs or activities
   - Involves students, faculty, staff, administrators or representatives of the public
   - Parking may be reimbursed to an employee

2. Conferences/Workshops/Seminars
   - Agenda Driven
   - Official University business
   - Includes two or more employees
   - Scheduled during a regular mealtime
   - Light refreshments may be allowed at the discretion of the administrator
3. On the Job Employee Meals

- Meals to employees during work hours may be provided as a non-taxable benefit to an employee.
- Employees working on campus:
  - i.e. an employee is required to work entire shift due to workload or is on call.
- Employees working remotely for virtual meetings:
  - i.e. use DoorDash for Work.
  - Do no use electronic meal vouchers or gift cards for food delivery services.
- During employees work hours.
- When there are no food providers or eating facilities.
- No limit to frequency.
Expense Types (cont.)

4. Employee recognition or achievement
   - Receptions during ceremonies
   - Events to reward or recognize professional achievement or retirement from service to UTSA or State
   - Morale and team building activities

5. Flowers
   - Memorial Service
   - Extended illness of employee, spouse, child, parent, or retiree and is sent in the name of the department or office
   - Other occasions that serve a bona fide business purpose of UTSA
Expense Types (cont.)

6. Official Occasions – UTSA sponsored events
   - Events hosted by UTSA
   - Events are usually for faculty, students or the general public

7. Table Sponsorships for non-UTSA sponsored events
   - Requires prior approval by the VPDAR or designee
   - Individual meal limits do not apply
   - Individual seats do not require prior approval unless meal limit is exceeded
Expense Types (cont.)

8. Fee Supported Functions
   - Events held in connection with fee supported programs
   - The cost of the hospitality is recovered by the participant fee

9. Official fundraising activities for non-UTSA sponsored events, benefit, charity
   - Purpose must be to fundraise/network on behalf of UTSA
   - Prior VPDAR approval recommended but not required if individual meal limits apply
Expense Types (cont.)

10. Hospitality to UTSA Guests/Spouses or Partners of Guests or Hosts
   - Allowable when expenses serve a bona fide University business purpose or when invited as a matter of protocol or tradition or contribute to the mission of the University and has the prior written approval of the president.
     - Examples are ceremonial functions, fundraising events, alumni gatherings, community and recruiting events

11. Functions or meetings when UTSA provides hospitality to official guests
   - Example: Guests from the Board of Regents and/or accrediting agencies, officials from other universities, public officials, guests at recruitment activities

12. Donors
   - Prospective and current donor cultivation
   - Events hosted to generate goodwill
Expense Types (cont.)

13. Student Oriented Events and Meetings

- Hospitality and entertainment expenses in support of:
  - Student events or programs
  - Student organizations and related activities sponsored by UTSA
  - Academic and related student achievements such as commencement and student life activities
Special Programs and Events

• Recurring special programs and events may receive preapproval to submit a “blanket” business expense form (BEF) and submit to DTS. Include:
  • Estimated total expenditures
  • Event program description
  • Anticipated dates
  • List of potential vendors

• Pre-authorization may be appropriate for functions related to student-oriented programs when the expenditures per attendee are minimal, recurring and paid by student fees.
Allowable Funding Sources

- Official Occasions accounts are the primary allowable funding source for hospitality expenses
  - Authorized by the president to allow payment of entertainment, gift and hospitality expenses.
  - Funding is evaluated and awarded annually
  - Funding source is a distribution of “interest earnings”
  - Account titles must include “official occasions”
  - Transfers to and from these accounts are monitored by the Budget Office
Allowable Funding Sources (cont.)

Other local institutional funds (Funds 31xx) may be used if:

- Source is revenue proceeds and is collected as fees for continuing education, professional development conferences, or short courses.
- Differential tuition used only for student events
- Fee that payer reasonably expects to be used
  - On food, entertainment or hospitality
  - To pay hospitality at events that include a broad cross of the campus community, particularly students and community members
- Facilities and Administrative (F&A) Cost Centers used to encourage further research.

*Note:* Does not include 3105 funds that are sourced from designated tuition. Student expenses funded with Differential Tuition (coded 3105) are allowed.
Allowable Funding Sources (cont.)

- Auxiliary funds (Funds 4xxx)
- Unrestricted gift funds (Funds 55xx cost centers designated as unrestricted)

*Restrictions:*

- Educational and General funds (Fund 21xx) are not allowed for entertainment
- Federal grant funds (Fund 51xx) are not allowed for entertainment; however, certain other expenses may be allowable (if in writing by the granting agency, pursuant to the scope of the work) when approved by the PAA (Post Award Administration)
Maximum Allowable Expenditure Limits

- Breakfast, Lunch or Light Refreshments - $35 per person
- Dinner - $70 per person
- Amounts are inclusive of gratuity and applicable taxes
- Any event that exceeds $5,000 requires approval by appropriate Vice President
- Flowers - Generally will not exceed $150, including tax and delivery fees
Expenditure Limits (cont.)

- Prior approval (when possible) is required by the appropriate VP, if expenditure limit is to be exceeded.
- VP cannot approve exceptions to the expenditure limits for an event which he/she is the event host.
- Alcoholic beverages cannot be the primary expenditure for reimbursement.
- When authorized, reimbursement for alcoholic beverages is permitted, in addition to meal limits.
- Expenditures must not be excessive or lavish.
Disallowed Expenditures and Exceptions

As a general rule, the following cannot be paid or reimbursed from university funds:

- Expenses that are lavish or extravagant
- Social meals
- Does not include celebrations for retirement, minimum of 5 years with UTSA

Mileage:

- Mileage between UTSA facilities is not reimbursed
- Mileage reimbursement for local travel to a restaurant or to attend a hospitality-related event is normally not reimbursed
- Exceptions for mileage reimbursement must be approved by the appropriate VP. Refer to HOP 4.28 for more information
Disallowed Expenditures and Exceptions (cont.)

- Expenditures for coffee pots, coffee supplies, coffee services, water dispensers, microwaves, refrigerators for employees' personal use only

- Monetary contributions to a political campaign or candidate and charitable organization, except when it is a table sponsorship to attend a non-UTSA event, charity or community function with a business-related purpose

- Expenditures for alcoholic beverages served on campus when the Permission to Serve Alcoholic Beverages form was not submitted and approved in advance
Disallowed Expenditures and Exceptions (cont.)

- Reimbursements for state sales tax paid on supplies & related materials may be allowed on an exception basis
  - Tax exempt certificate should be provided to a vendor for:
    - All cash purchases of goods/services
    - Catered events or group take out orders
  - Reimbursements of taxes paid on restaurant charges for meals is allowed
Texas Sales and Use Tax Exemption Certification

Texas Sales and Use Tax Exemption Certification
This certificate does not require a number to be valid.

Name of purchaser, firm or agency
Address (Street & number, P.O. Box or Route number)
City, State, ZIP code
Phone (Area code and number)

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller:

Street address: [Blank]
City, State, ZIP code: [Blank]

Description of items to be purchased or on the attached order or invoice:


Purchaser claims this exemption for the following reason:


I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

Sign here

Purchaser
Title
Date
Alcohol Restrictions

- Educational and general (state) funds cannot be used to purchase alcohol or alcoholic beverages (or any entertainment expense)

- When serving alcohol at on-campus events
  - Refer to HOP Section 9.16 Use of Alcoholic Beverages
  - Requires President’s approval to allow alcohol to be served on campus
  - Food must be available when alcohol is served
  - Department representative in a position of authority must be present
  - Cannot be served between 8:00 a.m. to 5:00 p.m. on normal workdays
  - Includes UTSA sponsored events on or off campus
Serving alcohol at off-campus events or paying for alcohol consumed during approved entertainment or hospitality events at off-campus sites:

- Payment for alcohol may be allowed as part of a meal during authorized business entertainment and hospitality.
- Given the liability associated with alcohol, it cannot be the primary business expenditure on an itemized receipt.
- Exceptions require VP approval.
- VP may never approve their own exceptions.
Alcohol Restrictions (cont.)

- Serving alcohol at off campus UTSA sponsored functions (normally catered, banquets, etc.), requires approval before authorizing purchases with a purchase order or catering contract or submitting a reimbursement request.

- Requests to serve alcohol must be approved on a Permission to Serve Alcoholic Beverages form
  - Requires appropriate VP approval at least 7 days prior to event
  - VP reviews the form and makes a recommendation to the President to approve or decline request
Permission to Serve Alcoholic Beverages Form

UTSA Business Affairs

Permission to Serve Alcoholic Beverages
Faculty, Staff and Off-Campus Organizations Events Not Involving Students

The use of intoxicating beverages is prohibited in classroom buildings, laboratories, auditoriums, library buildings, museums, faculty and administrative offices, intercollegiate and intramural athletic facilities and all other public campus areas. The president may waive this prohibition with respect to any event sponsored by the university. An event is sponsored if it is organized and presented by registered faculty, student, or staff organizations and is not events sponsored by the university. With respect to the possession and consumption of alcoholic beverages, state law will be enforced at all times on the campus. The responsible department or office will be required to ensure compliance with applicable state laws.

Name of Department:
Contact Person: Phone:
Date of Event: Hours of Event:

Purpose of Event:
Location of the event (Request for facility reservation form must accompany this permission form):
Approximate number of persons expected at the event:
Source of funding:
Who is expected to be in attendance (UTSA faculty, staff, students, members, general public):

We agree to comply with state law with respect to possession and consumption of alcoholic beverages at the event and will abide by the University of Texas System Board of Regents’ Rules and Regulations and all policies and procedures of the University of Texas at San Antonio. If any attendees/participants are under age 21, the host of the event will ensure that alcoholic beverages are not served to persons under the legal drinking age.

Responsible Parties
1. Responsible Faculty/Staff Representative of department or office (Must be present throughout event)
2. Requesting Dean/Administrative Official
3. Requesting Vice President

Senior Vice President of Business Affairs (VPABusinessAffairs@utsa.edu)

Signature Date

Once all approvals and signatures are obtained from 1, 2 and 3, forward the original to Campus Services. With copies to Public Safety and UTSA Dining Services Director.

Note: Once approved by all parties, you will receive a copy for your files.

Revision 03/21
Reimbursement Procedures

- UTSA will reimburse entertainment, hospitality and related expenses that are:
  - Related to or associated with the conduct of official university business including UTSA sponsored events
  - Hosted by a UTSA employee
Completing Business Expense Form

• BEF form must include the following information:
  - **Payee Name**: list of potential vendors names or individuals to be reimbursed to the extent known
  - **Amount**: estimated amount for each vendor
  - **Event name**: name of the event
  - **Explain Business Purpose**: Event/program description
  - **Begin & End Dates**: (or range of dates for which the blanket authorization would be in effect; may cover a full fiscal year for areas with annual program budgets)
  - **Estimated Event Total**
Supporting Documentation

- Properly completed Business Expense Form with appropriate business purpose noted
- Original scanned receipts or electronic receipts containing equivalent information as an acceptable paper receipt
- UTSA requires itemized receipts for consumable and non-consumable items
  - Detailed receipts required when total amount exceeds $75
  - [Declaration of Missing Evidence Form](#)
  - Required to determine if expenditure reimbursement should be treated as taxable income to the employee
Declaration of Missing Evidence Form

UTSA Declaration of Missing Evidence Memorandum for Missing Original Receipts

Instructions: Complete this form when a receipt is not available. One form may be completed per event or per trip, even if more than one receipt is unavailable. Once completed, electronically attach form in PeopleSoft.

NOTE: This form is used to determine if an expenditure should be treated as taxable income to the employee. In general, receipts substantiate allowable expenditures to ensure compliance with IRS regulations. Repeated reimbursements to the same individual without the required documentation may be denied.

1. ___________________________ declare that:

   1. I disbursed my PERSONAL MONIES on behalf of The University of Texas at San Antonio.
   OR 2. UNIVERSITY FUNDS were disbursed on my behalf as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Vendor Name</th>
<th>Vendor Address</th>
<th>Amount Paid</th>
<th>Business Purpose</th>
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<td>Description of expenses:</td>
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</tbody>
</table>

Explanation for the unavailable receipt(s) and attempts taken to obtain a duplicate, itemized receipt:

Signature: ______________________ Date: ______________________
Supporting Documentation (cont.)

- One BEF may be submitted for reimbursement of an individual for multiple events or business purposes with appropriate documentation.

- BEF is no longer required to request payment for advertising specialties and or promotional products such as logo’d items.

- Employee gifts do not fall under this exception and must be documented using a BEF (see Employee Awards, Gifts and Prizes Guideline).
Supporting Documentation (cont.)

- Documentation and Authorization for payment or reimbursement must be submitted within a reasonable period of time per IRS regulations.

- UTSA has interpreted a reasonable period of time to be 90 days.
  - If beyond 90 days, reimbursement request must have an explanation based on facts and circumstances for the delay.
  - No longer requires VP approval.
    - Repeat offenders may be required to obtain VP approval.
  - Approval by the Assistant VP of Supply Chain or designee is required.
Supporting Documentation (cont.)

A copy of the completed BEF should be submitted with each payment type:

- **One Card**: Attach the BEF to the One Card non-PO voucher
- **Expense Report**: Attach the BEF to the expense reimbursement
- **Purchase Order**: Send the BEF to DTS along with relevant invoices
- **IDT**: Email Accounting Services the BEF and relevant information; attach the BEF using Easy Correct in PeopleSoft
Certifying the BEF

- UTSA relies on individual judgment at all levels of the organization in determining if hospitality expenditures are necessary and reasonable.
- Oversight of entertainment expenditures is required at senior administrative levels to ensure employees understand and follow the guideline.
- For workflow-enabled processes in PeopleSoft, BEF signatures are electronic; to add additional approvers use the ad hoc approver feature in PS.
Certifying the Completed BEF

- One event host and one Administrator are required to certify each BEF, unless additional exceptions are required by this guideline.

- An employee may not approve his/her own expenditure reimbursement.

- Expenditures and reimbursements must be approved by an administrator at the level of Assistant /Associate Dean, Dean, Assistant/Associate VP, Vice President or President.

- If a VP/division requires additional approval by their internal procedures, those cannot be enforced or monitored by Disbursements & Travel Services.
Certifying the Completed BEF (cont.)

- **Event Host**
  - An employee present at the event who is certifying that expenditures were made in accordance with this guideline
  - Normally the individual who is requesting payment or reimbursement. However, that is not a requirement as often individuals within the department may purchase items for events to which they do not attend
  - If the President or VP is the event host, then the senior Vice President for Business Affairs must approve in the administrator approval section
Certifying the Completed BEF (cont.)

Account Administrator

- A designated, authorized approver of entertainment and hospitality expenses who is at least an Assistant/Associate Dean, Dean, Assistant/Associate VP, VP or the President
- Individual is responsible for ensuring that entertainment and other expenses conform to the requirements of this guideline
- Not the same as “account administrator” or “departmental account manager” used to describe those who have authority over a particular department ID or cost center
- Expenditures related to an official student program may be approved at the Director level as long as the event total does not exceed $500
Certifying the Completed BEF (cont.)

- Additional approval is required for any of the following:
  - The maximum allowable person limit is exceeded
    - Appropriate Vice President or dean must approve.
    - Additional approval is not required, if administrator is a VP level, unless VP is event host
  - The total cost for a single event exceeds $5,000
    - Appropriate Vice President or dean must approve
    - Additional approval is not required, unless VP is event host
  - When requesting other exceptions to policy
  - Expenditures for table sponsorships
  - The President or a Vice President may not approve his/her own exceptions
Completed BEF

Office of Financial Affairs

Disbursements and Travel Services

UTSA Business Expense Form (BEF)

For Disbursements and Travel Services

Prepared By: Tabatha Smith

Today's Date: Nov 15, 2018

Event Name: 2018 Light the Paseo BLANKET

Event Time: 7:00 pm

Total # of Attendees: 1,000

Event Description:

Event with music, entertainment, and food provided to UTSA students so they can feel connected to the University community.

ADDITIONAL APPROVAL

Name: Jackie Hobson

Title: Assoc VP-YPSA Bud & Fin

Date: 11/15/18

Signature:

Cost:

Vendors

Purpose

Method of Payment

Cost Center

Total Attendees

Cost Per Person

Deli-Express Tamales

1008 Tamales

PO

AX0139

$1,000.00

1,000

$0.99

Kripa Venue

1008 Donuts

ProCard

AX0139

$1,000.00

1,000

$0.99

Kuban African Restaurant

Joint meat

ProCard

AX0139

$1,000.00

1,000

$1.00

HEB

Cookies

ProCard

AX0139

$1,000.00

1,000

$1.00

Party City

Cookie caging

ProCard

AX0139

$250.00

1,000

$0.25

Sams

Water and refreshments

ProCard

AX0139

$1,000.00

1,000

$1.00

Webstormtrends.com

Food supplies

ProCard

AX0139

$300.00

2,000

$0.15

Sams

Food supplies

ProCard

AX0139

$500.00

2,000

$0.25

G implicit Entertainment, Services

DJ

Non-PO Voucher

AX0139

$675.00

2,000

$0.28

Magic in the Sky

Confetti canons

PO

AX0139

$500.00

2,000

$0.25

SnapChat

Social Media

ProCard

AX0139

$50.00

2,000

$0.03

The UPS Store

Printing 5x7 post cards

IDT

AX0139

$20.00

15

$1.33

Wristbands.com

Wristbands

ProCard

AX0139

$1,000.00

1,500

$0.67

Amazon

Event supplies

ProCard

AX0139

$1,000.00

2,000

$0.50

TOTAL

$9,795.00

Purpose

Food/Refreshments

$6,250.00

1,000

$6.25

Other

$3,545.00

1,000

$3.55

TOTAL

$8,795.00
Account IDs

Account administrator is responsibility for ensuring the accuracy of the account code:

- 67106 – Business Meetings / Official Occasions
- 67117 – Meals, Refreshments and Expenses for Conferences, Workshops and Seminars
- 67102 – Social Club Dues
- 67107 – Official Student Occasions
- 67108 – Flowers Others – Individuals
Responsibilities

- **Senior Associate VP for Financial Affairs and deputy CFO**
  - Monitors expenditures pursuant to guideline
  - Recommends revisions

- **Disbursements & Travel Services**
  - Ensures payments and reimbursements are properly authorized
  - Verifies amounts and funding sources

- **Purchasing Office**
  - Ensures compliance with this guideline prior to authorizing a purchase order for entertainment or other items

**Note:**
- All entertainment expenditures are subject to periodic review by Internal Audit
- All expenditures are open to public information requests
Common Errors

- Incomplete BEFs will be returned
- Multiple BEF’s completed for one event
- Business Purpose is not clear
- Appropriate level of signatures not obtained
- *Permission to Serve Alcohol* form missing
- Birthday cards, cakes or any birthday related expenses
- Receipts are missing
QUESTIONS
Reference Materials

Disbursements and Travel Services (DTS) website

Related Courses offered by DTS

Cash Advance Process for Travel and Participant Advances (PS 0309.01)

Corporate Travel Planners: Concur Online Reservation Tool (AM0686)
  PaymentWorks Vendor Onboarding Process (AM0591)
  Processing of Non-PO Voucher Using UTShare (PS 203.04)
  Travel Reimbursement Process (PS 0310)
  One Card Reconciliation and Payment Processing (AM0590)
Rules and Regulations

- Financial Guidelines (FG)
- Hospitality and Entertainment Guideline
- Memberships Paid by University Funds
- Employee Awards, Gifts and Prizes
- Travel Reimbursement Guideline
- Texas Prompt Payment Law
- One Card Program Guideline
- Clickwrap Agreements Guideline
Thank you for attending class!

Please complete the electronic evaluation form

Go to: https://mytraining.utsa.edu/apps/evaluations

Click ‘Load classes’ (orange tab)

Click the name of the class you took today

Click ‘Start Evaluation’

Click ‘Give Feedback’

IMPORTANT ‘1’ is LOW and ‘7’ is HIGH

Please add your comments in the open comment box at the end
The University of Texas at San Antonio

UTSA Financial Affairs

Your partner for successful solutions

Office of Financial Affairs  (http://www.utsa.edu/financialaffairs/)