

University of Notre Dame

Guidelines for Business Meals and Business Entertainment Expenses

Expenditures associated with business meals and business entertainment are governed by University policies designed to support Notre Dame faculty and staff in their efforts to be good stewards of University resources and to ensure compliance with IRS regulations regarding such expenditures. All University employees who anticipate incurring such costs for travel, meals, entertainment or other business expenses should carefully review the manual *University Travel, Entertainment, and Business Expense Policies and Procedures* (available at http://controller.nd.edu/documents/travelpolicy_current.pdf).

The guidelines that follow are in addition to the policies and procedures described in the manual and are designed to both assist the University in conserving resources during the current economic downturn and to provide additional guidance to assist each of us in complying with Internal Revenue Service rules that prohibit the tax-free treatment of lavish or extravagant meals or entertainment. Colleges, schools or departments may offer more stringent guidelines than those that appear here.

Business Meals

- A bona fide and substantial Notre Dame business purpose must be documented on the *Travel and Entertainment Expense* report.
- The cost of business meals should be reasonable. In the South Bend area and generally other cities, business meals paid by the University are expected to fall within the following per person guidelines:
 - Breakfast \$ 10.00
 - Lunch \$ 20.00
 - Dinner \$ 45.00
- These limits include wine and other alcoholic beverages, but are exclusive of tax and gratuity. Exceptions to the dinner maximum outlined above will be made for dinners that involve hosting a distinguished guest of the University or are held for recruitment purposes. For those exceptions, the University will reimburse up to \$60 per person. Amounts in excess of this require approval from the President, Provost, or Executive Vice President.
- Prudence should be exercised in the purchase of alcoholic beverages at business meals. Wine is often the most expensive cost in a meal. The host should select the wine offered at a business meal. While offering the guest the opportunity to select a wine is a generous gesture, such generosity can lead to unexpected costs. All alcohol expenses must be segregated and charged to general ledger account code 72450 or 72451.

- Meals provided to a spouse and others Meals provided by Notre Dame to a spouse, family member or other personal acquaintance of a University employee will be permitted only when there is a substantial and bona fide business reason for that person's attendance. The IRS does not permit tax-free treatment unless such a reason exists. Examples of appropriate business events include:
 - A potential new faculty member is considering accepting an offer of a position. She is accompanied by her spouse as they consider the local housing options. A member of the department's recruiting committee hosts them for dinner and may be appropriately accompanied by his or her spouse.
 - Staff recognition dinners/events; award dinners for faculty or staff
 - Departmental receptions or Christmas parties
- Frequency of Business Meals Business meals require a commitment of both significant resources and time. Patterns of multiple business meals/per week should be discouraged. Where possible, meetings should be conducted outside of normal meal periods.

Business Events

- Certain events sponsored in connection with student, faculty or staff-oriented social activities, fund raising, employee recognition, Christmas gatherings and other similar functions may be allowable as business expenses. The benefit of the event to Notre Dame must be unambiguous and articulated. The frequency and cost of such events should be reasonable. The anticipated cost of such events should be reviewed and approved by the appropriate budget authority. It is expected that many of these events will be more modest than they have been in the recent past.
- University funds may not be used to sponsor social events for individuals in recognition of birthdays, Secretary's Day, weddings or graduations.
- Colleges, schools and departments should generally conduct entertainment and other social events on University property. Additional explanation and justification for the use of off-site facilities for events will be required.
- For those business events held off campus, it is recommended that the cost of wine being served be controlled by:
 - Arranging in advance what wine will be ordered and the number of bottles that will be opened.
 - Purchasing wine and paying the restaurant corkage fee (this is often less expensive than purchasing wine at the restaurant).