COLA Official Occasion Expense Policy

Official Occasion Expense Guidelines

This document supplements and highlights parts of the University's entertainment policy and applies to all departments and units in the College of Liberal Arts. Official Occasion Expense Forms (OOEFs) are required for all entertainment and official occasion expenses. Unit heads may implement more but not less restrictive internal policies. This list is not meant to be exhaustive, but to highlight some of the most common issues and questions related to OOEFs.

General Guidelines | Expenses by OOEF Field | Approvals & Attachments | Attendees | Other Expense Types

General Guidelines

- In accordance with UT and COLA policies and procedures, all entertainment expenditures must serve an acceptable and verifiable business purpose.
- Ensure that the expenses are permitted on the account that is being used. Reference HBP 9.1.1 and the policy exception chart.
- Check DEFINE to ensure that the account currently has sufficient funds to cover the expense in the account's free balance. Otherwise, a transfer is needed prior to submittal (or) a different account should be used.
- Review the receipts/invoice/estimate and ensure that the expenses are allocated to the matching fields on the OOEF form.
- Alcohol - Please remember that expenses for alcohol may NOT be the primary expenditure for entertainment purchases. This means that the cost of alcohol may not exceed the cost of food.
  - Employees will be personally responsible for covering the cost of any alcohol that exceeds the cost of food.
  - Generally, alcohol is not permitted on UT property. See the "Alcohol" section below for more details and guidelines.
- Tips/Gratuity/Service Charge – Tips/gratuity are reimbursable up to 20% of the pre-tax subtotal. See the "Tips" section below for vendor guaranteed percentages that exceed 20%.
- Per Person Expenses – These are dependent upon the participant information and the type of occasion. See details outlined below. Units will not be required to get a per person cost when there is a negotiated agreement with a vendor for a total package price that includes food and non-food expenses. This means that the per person cost that the OOEF calculates will not be a policy limitation when all expenses are listed.
- Payment reimbursement can come from more than one account and should be noted in the General Information, Notes section of the OOEF. It is best practice to submit an OOEF for an event or meeting before it takes place; however, it is understood that this not always possible. See the "Approvals & Attachments " section for more information on when a prior approved OOEF is required and how to process an OOEF post-event.

Expenses by OOEF Field

Food & Miscellaneous:

Includes food, non-alcoholic beverages, flowers, greeting cards, and miscellaneous supplies. Consider the "Delivery/Fees" field for other types of costs such as linens, A/V rentals, or facility rental fees.

Alcohol:

- Procard: A Procard cannot be used to purchase alcohol.
- Alcohol expenses at dinner are reimbursable, if the meeting or event is for recruitment or a developmental purpose and/or donors or distinguished guests are in attendance.
- Alcohol is not reimbursable for business meetings conducted during breakfast or lunch.
- Alcohol will only be reimbursed up to 50% of the food and drink subtotal before tax, tip, & fees. [Example: If food = $50.00, alcohol cannot exceed $49.99; Subtotal would be $99.99 and alcohol percentage would be 49.99%.] Per UT policy, Alcohol costs more than 50% of the subtotal before taxes, fees, and tips, will not be paid using UT funds.
  - Unique exceptions require approval of the Dean.
- Serving Alcohol at Events in a Non-licensed Venue including a Private Residence: The vice president for legal affairs recommends that a TABC licensed caterer or bartender be used for all events. University employees should not be used as servers at an event unless it is in their official job description (even if they are TABC certified). If undergraduate students will be in attendance, a licensed TABC bartender is required. See Board of Regents’ Rule 10.02 and HBP 9.1.1 for additional details.
  - Guidelines to request an exception (for on-campus alcohol) provides more details, as well as the list of campus locations that are preapproved for alcohol.
- Students: If the event is considered a student event, alcohol is not permitted. That is, alcohol is restricted on accounts with Centrally Funded Fringes (CFF) report codes. Student Fee and Flat Rate Tuition Funded Accounts are an exception to the general
policy. These funds must be used to support student academic services, events, or materials. Meals and refreshments are not allowed unless for events in support of student and/or academic services where most of the attendees are students. These accounts can never be used to purchase alcohol. Academic Excellence funds can be used for general entertainment (but no alcohol) expenses.

Tax:

An exemption certificate is available for state sales tax and mixed beverage sales tax. See Texas Sales Tax Exempt Information page for more details.

- Sales tax can be reimbursed for an employee who paid for a business meal with personal funds. Otherwise, sales tax is not reimbursable.

Delivery/Fees:

- Includes delivery fees and any non-standard charge(s) not applicable to the Food & Misc. category.
- Includes room & equipment rental fees.

See “Tips” instead for “service charges” that are meant to be a guaranteed/minimum tip required by the vendor. (See more information below on Tips/Gratuity/Service Charges.)

Tips / Gratuity / Service Charges:

- Tips/gratuity are reimbursable up to 20% of the pre-tax subtotal.
- Service Charges are most often meant to be a guaranteed minimum “Tip” required by the venue/vendor. Some vendors automatically charge a guaranteed amount for events or for a large number of guests, and some others charge a guaranteed minimum regardless of the number of guests. Review closely to avoid duplicating gratuity or conversely, not adding a gratuity if warranted. There is no need to add a manual tip if one is automatically charged as a “service fee.”
  - This is not always clear, as not all service fees are guaranteed gratuity. [Example: a service fee may be for items such as plates, utensils, chafing dishes, etc.]; use your best judgement and/or confirm with the vendor what is included.
  - If a service charge is listed together with delivery such as, “Service Charge/Delivery Fee,” the full amount may be placed in the Delivery/Fee field as the service charge, if applicable, is not discernable.
- If the venue charges a guaranteed minimum service charge that is greater than the allowable 20% gratuity, this is an unavoidable cost. Best practice is to document as follows for payment or reimbursement:
  - Place 20% of the charge in the “Tip” field on the OOEF and place the overage percentage in the “Delivery/Fee” field with an explanation in the notes. [Example: For a $22.00 service charge added to a $100.00 food and drink bill, place $20.00 in the tip field (20% tip limit), and place $2.00 in the Delivery/Fees field with an explanation in the notes that the venue charges a guaranteed 22% minimum fee.]

Approvals & Attachments

OOEF requests exceeding $1,000.00:

- Must be submitted and have reached final approval before the event takes place. Please be sure all supporting documentation is attached to the OOEF preapproval request.
  - Supporting documentation includes a copy of the budgeting spreadsheet which can be found here. Please be sure you have estimated enough as the actual receipt when submitted should not exceed 10% over the pre-approved amount.
  - The OOEF routing involves multiple approval desks, so please plan ahead and allow for more processing time during peak periods (beginning of the fall semester, prior to winter break, and end of spring semester).

Pre-event requests for less than $1,000:

- Do not require an estimate/attachment. However, you are welcome to attach a budgeting spreadsheet to ensure a more swift review process of your OOEF.
- If pre-approval was obtained, total actual costs should remain within +/- 10% of the total.
- If prior to the event, the OOEF’s preapproved total is expected to change more than +/-10%, a revised OOEF may be submitted to supersede the original OOEF. Add the OOEF number it replaces and the reason for the change in the “Notes.”

Attachments:

- Attach itemized receipts and/or invoices or estimates, as applicable, with breakdown of expenses to match costs listed per OOEF field and total.
  - If itemization is not available, a statement declaring such is required on the OOEF or on the non-itemized receipt.

Large Events:

- Attach all receipts for the same event to one OOEF and allocate to the itemized fields on the OOEF accordingly.
  - Multiple vendors, accounts & reimbursement(s) are permitted on the same OOEF; Explain any details in the notes or on an attachment.
  - Multi-day events should have a minimum of one OOEF per day. That is, combining meals for the same day, same event is permissible to save on paperwork. Do not, however, combine more than one day on one OOEF.
  - One OOEF per meal is still advisable if the “Participant Information” is different per meal during all day/multi-day events.

Blanket OOEFs:
Are allowable for expected, recurring annual costs such as coffee, water etc. (see also the “Breakroom Supplies” section, below).

- In some cases, multiple occurrences of the same type of an event can be preapproved on a blanket, but keep in mind that regular/routine faculty/staff meetings should not include food/beverage.
- For more guidance on when a blanket OOE is appropriate, please review "When to Use Blanket OOE" document.

**Exception for Alcohol on Campus:**

- Generally, alcoholic beverages cannot be served on property and in buildings owned or controlled by The University of Texas System or UT Austin. See Board of Regents’ Rule 80102 for additional details.
- For exceptions, a pre-approved exception must be attached to the OOE.
- Guidelines to request an exception (for on campus alcohol) provides more details, as well as the list of campus locations that are preapproved for alcohol.

**Post event:**

- Attach actual receipts to the preapproved OOE; a new OOE is not required if actual total costs are equal to or within +/-10% of the pre-approved total. If receipts are for a recurring event preapproved on a blanket OOE, submit one OOE after each event and reference blanket pre-approval OOE number.
- **Entertainment Reimbursements** should be processed within 30 days in accordance with the Prompt Payment Act but **must** be processed **within 60 days** of the event. Because of the time required for document processing, both within the department and in accounting, it is recommended to submit requests no later than 45 days after the event.
- Reimbursements past 60 days will no longer be approved and will be the employee’s responsibility.
- Exceptions will be considered for significant life events and must be approved by Dean Stevens. An exception form is required.

**Attendees**

**Student Attendees:**

- **Food for Organized Courses:** Routine food costs for organized courses (listed in the registrar catalog) are not allowed.
- **Student Events:** Events that are primarily students should be processed using object code 1309 (OFFICIAL STUDENT OCCAS), instead of 1347.
- **Alcohol:** Should not be served at student events.
- **Families/Guests of Students:** If the event includes students and their families, such as for a graduation reception, reimbursement is permitted.

**UT Employee Attendees:**

- **Entertainment expenses** involving only UT employees (faculty & staff) and for special/infrequent occasions, which may involve both employees and student employees (both graduate and undergraduate) should not exceed **$35.00** per-person (including food, beverage, tax, and gratuity).
- Exceptions to this rule will no longer be approved and will be the responsibility of the employee(s).
- Frequency of special gatherings involving food/entertainment expenses should be limited to **no more than three times yearly** (e.g., start-of-year, holidays, end-of-year, etc.)
- **Regularly recurring meetings**, including faculty and staff meetings, should not include food/beverage.
- **Business Meetings:** Meal expenses for a business meeting of two or more UT employees cannot be reimbursed if it could have been scheduled during working hours (not just for convenience).
- **Team Building/Group Retreats:** Should occur infrequently (i.e., not more than once yearly), and costs for these events should not exceed **$50 per-person** for the total event.
- **Employee celebrations (faculty & staff):** Should be kept to a reasonable occurrence (e.g., quarterly birthday gatherings, not individual ones), and not exceed **$3 per-person** in attendance.
- **Holiday Parties:** Endowment accounts may not be used to pay for holiday parties. Use Various Donors/Various Purposes (VD/VP), Excellence, or other non-core (self-sustaining) accounts.
- **Retirement Parties:** Chairs/Professorship endowments cannot be used for retirement parties; however, excellence funds endowments may be used to pay for retirement parties.
- **Baby Showers & Other:** Non-work-related personal events may not be paid for/reimbursed with university funds.

**Donors, Speakers, Special/honored Guests/Companions, and Recruitment Attendees:**

- Per-person costs for entertainment expenses directly involving donors and/or special/honored guests, including faculty and staff recruitment related activities, are limited to **$100 per person** (which includes food, alcohol, tax, and gratuity). Please see HBP 9.1.1 for official policy details and limits.
- **Costs more than this amount cannot be paid using university funds** and will not be approved; Employees will be personally responsible for all costs exceeding the $100/person limit.
- The number of reimbursable meals for events associated with the recruitment of prospective employees or receptions for distinguished guests should be limited.
- **Meals for Faculty Recruitments** should involve no more than four attendees (the prospective employee and three UT affiliates).
Family Members/Companions: Reimbursements for meals are not permitted for companions/spouses/family members of university employees, including while on travel.

Exception: If a donor/distinguished guest brings a companion, reimbursement for the companion of the host employee’s companion is usually reimbursable.

Other Expense Types

Breakroom Supplies:
- General expenses such as creamers, tea bags, and water for breakrooms can only be paid from excellence endowments, VD/VP, and other non-core accounts (self-supporting).

Flowers/Perishable Items:
- **Flowers to Employees:** Should not exceed $200.00 (including shipping costs).
- Only excellence fund endowments, VD/VP, and other non-core accounts can be used to pay up to $200 (including shipping costs) for flowers.
- **Tax exempt**

Gifts/Awards to Employees:
- **Length of service merchandise awards (non-cash) should not exceed $400.00:** awards valued more than $400.00 must be included in the employee’s taxable income.
- **Employee merchandise awards (non-cash, non-length of service) should not exceed $50.00:** awards valued more than $50.00 must be included in the employee’s taxable income.
- **Inscribed awards are excluded from taxation requirements** since those awards that have been inscribed have a fair market value of zero.

Parking/Transportation:
- Parking and Transportation services (such as Lyft) are not reimbursable on OOEFS.

Social Club Dues:
- Permitted if it pertains to job duties and benefits UT.

Travel & Training/Professional Development:
- **Professional Training/Professional Development:** Costs for training or professional development events are considered entertainment expenses. The state defines professional training as instruction, teaching, or other education received by a state employee that is not normally received by other employees and is designed to enhance the ability of the employee to perform the employee’s job. These costs should follow the University’s standard payment procedures.
  - Should any meal expense be incurred during these events, those expenses must follow the entertainment guidelines outlined above.
  - In general, meals are only reimbursable if overnight travel is required.
- **Meals while traveling:** The traveler may receive either a travel per diem or a separate, itemized meal reimbursement (via OOEFS) for meal expenses incurred while traveling on official university business. If by OOEFS, please add note that per diem was not received.

Questions?

If you have any questions, please reach out to la-finance@austin.utexas.edu.