

Valparaiso University Hospitality Policy

Policy Statement

Hospitality expenditures include the provision of food, beverages, activities, or events for the purpose of promoting and furthering the mission of Valparaiso University.

Hospitality expenditures are allowable when reasonable in amount and clearly required to advance the mission of the University.

Reason for Policy

There are occasions when business hospitality expenditures benefit the University's mission. However, because of the subjective nature of these types of expenses, there is potential for misinterpretation. Judicious consideration should be given in making prudent and principled decisions regarding hospitality expenditures in order to be responsible to students, donors and with other stakeholders and to comply with applicable standards and regulations.

The purpose of this policy is to establish guidelines for allowable hospitality expenditures. Individual departments or colleges may specify more restrictive policies for their respective units.

Applicability

This policy applies to all Valparaiso University faculty, staff, and student organizations and all operating, restricted, grant and endowment funds.

Procedures

1. Employees may be reimbursed for approved hospitality meals and refreshments by completing a Hospitality Expense Form or a Travel Expense Report if the hospitality occurred during University travel.
2. Employees may use a Valparaiso University Procurement Card for hospitality expenditures.
3. A purchase requisition is required for group activities and events held at restaurants, hotels, etc.
4. A purchase requisition is required for catered activities when using an outside vendor.
5. Catered activities using VU Dining Services must be approved in advance by the appropriate budget officer.
6. To comply with Internal Revenue Service requirements governing business meals and the University's accountable plan, the following must be provided with all expense forms, purchase requisitions and monthly procurement (credit) card logs:
 - a. The business purpose of the event
 - b. The location of the event
 - c. The individuals in attendance (generalities may be used for large events)
 - d. The date of the event
 - e. Itemized receipt

Approvals

Prior Approval:

As with any University purchase, all hospitality expenditures require budget officer or designee approval. In general, approval should be in advance and in accordance with department protocol.

Role of the Department Director/Dean (Budget Officer/Designee Approval):

The role of these individuals is to determine:

1. Whether the hospitality is appropriate
2. If the hospitality will benefit the University, the department, school, or unit, and
3. Whether it is consistent with sound management practices

The budget officer or designee responsible for the account being charged is responsible and accountable for determining the business purpose.

Valparaiso University Hospitality Policy

Role of Departmental Accounting Staff and Finance Office (Fiscal Approval):

In addition to facilitating the processing of the documents, those exercising fiscal approval signify the following:

1. Hospitality was authorized and approved following proper procedures.
2. Expenses are allowable, reasonable and allocated to the account by an individual with knowledge of the expense and the account funding the expense.
3. Appropriate documentation is attached to substantiate the purchase and appropriate signatures are obtained.
4. Funds are available in the designated account.
5. Appropriate budget account object codes are used.

Qualified Expenditures

Business Hospitality includes:

1. Meals and refreshments at Business Meetings

- Meals: allowed when a group of employees are required to give up personal time to attend the meeting and there is a bona fide business purpose for the meeting or event. The meeting must be held on campus, unless confidentiality requires the meeting to be held off campus.
- Meals (as opposed to refreshments) are only appropriate when:
 - A business meeting causes the participants to work through a period in which they would normally be expected to have a meal,
 - The meeting couldn't reasonably be scheduled at another time
- Business Meetings include:
 - Sponsored seminars, retreats, workshops, orientations
 - Sponsored meetings of advisory groups, outside reviewers, or committees
- Meals may not be provided for regularly scheduled department meetings

2. Employee appreciation events

- Meals provided for employee appreciation events are permitted, not to exceed two events per year. Holding the event on campus is encouraged, but not required.

3. Meals with Prospective Employees, Visitors, Students, Guests, or Donors

- Meals related to the individual recruitment of faculty or staff.
 - Meal expenses should be limited to those for the prospective employee and persons essential to the decision-making or recruiting process. The number of attendees at the event should be determined in advance by the area Vice President.
 - When the spouse/partner (or other close family member) of the prospect is present, those meal expenses as well as the expenses of the spouses/partners of the essential persons will also be considered allowable.

Valparaiso University Hospitality Policy

- Meals for academic visitors, students and guests.
 - There should be no more than a three-to-one ratio of university personnel to guest unless a variance from this ratio is approved in advance by the area Vice President. Documentation of the approval must be included with the Reimbursement Request or Procurement Card Log.
 - Such visitors generally deliver a seminar, lecture or performance for the benefit of the University.
- Meals related to cultivation of previous and future donor prospects.
- Meals related to cultivation of employer relationships for career planning services.

4. Refreshments for University Receptions

Refreshments for University Receptions are restricted to the following events:

- Events must be mission-related
- Receptions include:
 - Honoring retirees (Refreshments only)
 - Honoring lecturers, special guests or other dignitaries
 - Award presentations to faculty, staff, students, and alumni for outstanding accomplishments
 - University gallery openings
 - School or department “open houses” for student orientations
 - Other events that advance the mission of the University, or advance the work of the department

The budget for the event is to be determined by the departmental dean or vice president. Current fund budget accounts and/or departmental restricted funds may be used.

The use of current fund budget or departmental restricted funds may not be used for retirement dinners or gifts. The cost of retirement dinners and gifts must be the responsibility of the attendees.

The use of University funds for personal celebratory events such as birthdays, bridal showers and baby showers is not permitted.

Alcoholic Beverages/Spirits

The purchase of alcoholic beverages/spirits is permitted for hospitality events and meals with guests when approved by the appropriate supervisor. However, use of current fund budget accounts (“10” accounts) for the purchase of alcoholic beverages/spirits is prohibited. If alcoholic beverages/spirits are served at a qualified hospitality event, a restricted account must be used to cover the cost of the beverages. Exceptions, if any, must be approved by the Vice President for Administration and Finance.

Forms

Valparaiso University Hospitality Expenditures Reimbursement Request Form
Valparaiso University Travel Expense Report
Valparaiso University Procurement (Credit) Card Summary Form
Valparaiso University Purchase Requisition
Valparaiso University Dining Services Requisition

Effective Date: April 1, 2010

Valparaiso University Hospitality Policy

Qualified Expenditure Chart

Type of Event	Allowable	Unallowable
Accreditation Events	X	
Advisory Board Meetings	X	
Annual/Semi-Annual Employee or Departmental Appreciation Event	X	
Commencement Receptions	X	
Department Meetings (Regularly Scheduled)		X
Departmental Retreats	X	
Faculty Retreat	X	
Guest Lecturers	X	
Holiday Receptions for Donors	X	
Holiday Receptions for Employees (Annual)	X	
Honored Faculty Reception	X	
Honors Convocation	X	
Host Official Guest	X	
Host University Donor(s)	X	
Job Fairs	X	
Meals with Co-workers		X
Meals during Administrative Meetings (Required to be scheduled during normal mealtime)	X	
New Employee Welcome Reception	X	
Open House and Outreach Events	X	
Personal Celebrations		X
President's Annual Welcome Back Events	X	
Retirement Receptions (Specify # of years)	X	
Self-Supported Conferences and Workshops	X	
Student Awards and Recognition Events	X	
Student orientation	X	
Training and Employee Development Programs	X	
University Faculty/Staff Recruitment	X	