
PUBLIC RELATIONS AND ALCOHOL EXPENSES

Purpose:

To establish policy and procedures governing payment and reimbursement of public relations and alcohol expenses.

Authority:

I.R.C. §162 and 274, and Idaho State Board of Education, Governing Policies and Procedures, Section V. U.

Scope:

Applies to all public relations and alcohol expenses incurred while conducting official University business.

Responsible Party:

Vice President for Finance and Administration, 426-1200

Definitions:

Alcoholic beverages - beer, wine, or any beverage containing distilled spirits.

Guest – an individual who renders a service to the University or to whom the University wishes to extend goodwill and who is present at a University event with an underlying business purpose. Guests may also include employees from out-of-town work locations.

Meal equivalent – heavy hors d'oeuvres or a light meal.

Public relations expenses - expenditures for meals or light refreshments and related services (e.g., labor charges, room rental, equipment rental, decorations, flowers, and similar expenditures) incurred in connection with events that are primarily social in support of the University's mission. Such activities must have an underlying business purpose such as promoting goodwill, donor cultivation, etc.

Volunteers – individuals assisting with a University program, event or other official function who must remain on campus during a meal time.

POLICY

I. Policy Statement

Boise State University recognizes the need for official functions which advance and promote the reputation, status and economic position of the university or are related to the mission of the university as determined by the President. Expenditures made in support of these events are eligible for payment or

reimbursement only when incurred in the course of conducting activities directly related to the mission and objectives of the university.

Employees are advised to be cognizant of appearances. While the expenses covered by this policy are legitimate and have valid business purposes, appearances may also have an impact. These purchases are often of interest to auditors, legislators, and the press and you may be asked to defend your expenditures.

II. Authority

Idaho State Board of Education, (SBOE) Governing Policies and Procedures § V.U. authorizes the University President to use foundation and local funds for entertainment and related expenses for official functions. This policy requires proper documentation to support the business purpose of expenditure and further provides that “actual expenses shall be reported to the Board upon request.”

III. Allowable Functions and Attendees

A. Prospective donors

The University may provide meals or refreshments at public relations event for the purpose of generating goodwill among prospective donors.

B. Guests, community members, volunteers, and employees

The University may provide meals or refreshments to guests, volunteers, members of the community, or employees where the purpose of the activity is primarily social, as long as there is an underlying business purpose for the event in support of the university's mission.

C. Spouse/partner of guest or host

The cost of a meal or refreshments provided to the spouse or partner of a guest or host of an event may be reimbursed, provided the expenditure serves a bona fide business purpose.

When a spouse or partner attends a university function, the individual's presence is considered to serve a business purpose if he or she has a significant role in the event or makes an important contribution to the success of the event. Official functions to which spouses or partners are invited as a matter of protocol or tradition, including ceremonial functions, fundraising events, alumni gatherings, and community events, are examples of activities at which the presence of a spouse or partner may serve a bona fide business purpose.

If a spouse or partner has no significant role in the event or performs only incidental duties of a social or clerical nature, his or her attendance does not constitute a bona fide business purpose. Such expenses are not reimbursable.

The reimbursement request should include documentation (e.g., an event or meeting agenda, or a letter of invitation requesting that spouses or partners attend the event) to show that the attendance of the spouse or partner served a bona fide business purpose.

IV. Allowable Expenses

A. Allowable public relations expenses include qualifying food and alcohol expenditures, expenditures made in support of qualifying charitable events or other costs associated with official university functions as designated by the President.

1. Qualifying food and alcohol expenditures include:

- a) Those incurred at a restaurant or other establishment that is open to the public and in the business of serving food and beverages, including catered events held on-campus, or
- b) At an off-campus location where food and beverages are served by a caterer with a valid liquor catering permit, and
- c) The cost of room rentals, set-up fees, media rental, decorations, or licensing fees necessary to hold the event.

2. Qualifying charitable events are those unrelated to religious or political organizations, including events directly or indirectly associated with a political party, campaign, candidate or group engaged in an attempt to influence legislation, elections, referenda or similar activities.

V. Eligibility of Expenses for Payment or Reimbursement

A. In accordance with IRS regulations, the University will pay or reimburse an employee's public relations expenses only when the expenses are directly related to or associated with the employee's job.

1. A meal or entertainment expense is directly related to an employee's job if the following four conditions are met:

- a) The employee has more than a general expectation of deriving income or a specific business benefit from the meal or entertainment;

- b) The employee in fact engaged in business discussions during the meal or entertainment;
 - c) The principle nature of the expense was the active conduct of university business; and
 - d) The expense was for the host and his or her official guests.
2. A meal or entertainment expense is associated with an employee's job if there is a clear business purpose for making the expenditure and if the expense is incurred directly before or after a substantial and bona fide business-related discussion.
- B. Expenditures that are lavish or extravagant under the circumstances, are not substantiated with supporting documentation, or where the official host is not present at the event do not qualify for payment or reimbursement.

VI. Limitations

- A. Costs associated with meals provided by friends or relatives of employees will not be paid unless that party is in the business of providing such services to the general public.
- B. Payment for meals or refreshments under this policy may not exceed 250% of federal per diem limits for Boise, Idaho, pursuant to Appendix A.
- C. Costs for alcohol purchases only qualify for reimbursement when purchased in conjunction with a meal or meal equivalent.
- D. Meals and refreshments should not be charged to PR accounts if reimbursable under the [Meals and Refreshments – Local Funds](#) or the [Meals and Refreshments – Appropriated or Grant Funds](#) policies.
- E. Expenditures falling under this policy may only be charged to a p-card if allowed by the [P-Card](#) policy. Under no circumstances may alcohol be charged to a p-card.
- F. Employees seeking payment under this policy for meal expenses incurred while on travel status cannot also claim per diem for the same meal.
- G. PR meal and refreshment expense rates do not supersede travel per diem rates unless an employee on travel status conducts a business meeting with a non-employee outside of his/her home station. In such a case, this policy's maximum rates only apply to the meal or refreshment expenditures incurred during the meeting. Standard travel per diem rates apply to any meals or refreshments consumed the rest of the day.

VII. Designated PR Accounts

- A. Meals, refreshments and other non-alcohol expenses may be charged to designated PR accounts, which are established and funded by the Vice President for Finance and Administration with approval from the President.
- B. Alcohol expenses may only be charged to designated PR alcohol accounts, which are established and funded by the Vice President for Finance and Administration with approval from the President. Funds deposited into PR alcohol accounts by the Boise State University Foundation must be spent in accordance with Foundation policies.

VIII. Approval Requirements

- A. Deans or VPs must approve all expenses from their PR account(s) and must determine that:
 - 1. The expenditure serves a clear and necessary business purpose or benefit to the University;
 - 2. The expenditure is reasonable, cost-effective and in accordance with the best use of university-administered funds;
 - 3. The expenditure does not create taxable income for an employee;
 - 4. Funds are available; and
 - 5. Any alternatives that would have been equally effective in accomplishing the desired objectives were considered.
- B. To ensure proper controls, an individual with approval authority may not authorize payment of expenses for anyone to whom he or she reports either directly or indirectly.
- C. All expenditures must be properly documented to qualify for payment or reimbursement. Itemized receipts, names of guests, and documentation of the business purpose of the expenditure must be presented for reimbursement, or in the event of direct payment to the vendor, retained as back-up documentation.
- D. Should an expenditure charged to a PR account be identified as unallowable, it will become a personal expense to the employee or his/her approving supervisor.

IX. Procedures

- A. Employees considering purchases under this policy should ensure the expenditure complies with the requirements of this policy, that sufficient PR funds are available to cover the expense, and the expenditure is consistent with any requirements set by the Dean or VP overseeing the PR account to be charged.
- B. If a purchase is made using personal funds, a [Public Relations and Alcohol Expense Form](#) must be completed and submitted to Accounts Payable with appropriate documentation. If the expenditure is incurred while on travel status, the [Public Relations and Alcohol Expense Form](#) should be attached to a Travel Expense Voucher –T590.
- C. Employees using P-cards to make purchases allowed under this policy and in accordance with the [P-Card](#) policy must complete a [Public Relations and Alcohol Expense Form](#) and include it with original receipts.
- D. Original, itemized receipts showing proof of payment are always required.
- E. The individual authorized to approve expenses from a PR account must sign the [Public Relations and Alcohol Expense Form](#). If that individual is also the employee requesting reimbursement or payment, the form should be signed by that employee's supervisor. In the case of the President, the form will be signed by the Vice President of Finance and Administration.
- F. Completed forms should be submitted to Accounts Payable (except for purchases made with a p-card, in which case the form should be attached to P-Card statement).
- G. Accounts Payable will compile a monthly summary of PR expenditures and submit to the President or appropriate VP's office for review. If the President or VP determines purchases to be excessive, partial reimbursement may be required.

APPENDIX A: PUBLIC RELATIONS AND ALCOHOL EXPENSES

MAXIMUM RATES FOR MEALS AND LIGHT REFRESHMENTS

The maximum per-person expenditures for meals and refreshments paid or reimbursed by the University may not exceed the following amounts:

	Maximum Allowable Per Person Meal Expense Chargeable to PR Account (250% of Federal Rate for Boise, Idaho)
Breakfast or Refreshments	\$27.00
Lunch	\$32.50
Dinner	\$60.00

Payment or reimbursement for a buffet meal cannot exceed the applicable meal rate associated with the type of buffet, i.e., breakfast, lunch, or dinner. Reimbursement for a brunch may be made using the lunch rate.

The maximum per-person expenditures listed above include the cost of the food and non-alcoholic beverages, labor, sales tax, delivery charges, and other service fees. If a reception before a meal includes beverages and hors d'oeuvres, the combined charges for the reception and the meal should be treated as a single event for purposes of calculating per person costs.

The costs of room rental, room setup fees, media rental, and decorations, etc., are not included in the per-person costs unless those costs cannot be separated by the vendor.

The University food service contractor limit for food brought on campus for a university function is \$50.00.