

DEARBORN ADMINISTRATIVE GUIDE

Section: Business and Financial Services
Subject: Hosting
Issued by: Financial, Budget & General Services
Number: 501.4-2
Date Revised: 2/2008

The consolidation of [Travel, Hosting, and Personal Gifts/Prizes/Awards](#) into section [501.4-1](#) of the Standard Practice Guide has created a longer and more cumbersome document. Additional information and UM-Dearborn- specific hosting policies are listed below:

DEFINITION

The University recognizes hosting as an appropriate expense of University funds. Such "hosting" activities are expected to contribute to, or result from, legitimate University related business. Each unit is expected to use prudence in determining the appropriateness of the hosting function. Appropriate expenses incurred by guests of the University or by University personnel on behalf of our guests for transportation, lodging, meals, and other appropriate expenses can be charged to University accounts. University reimbursement is allowed only when reimbursement has not been and will not be received from any other source.

Because the major sources of funding for the University are State of Michigan tax dollars, student tuition revenue and Federal funds, each expenditure must be carefully considered for its appropriateness. Establishing policies and procedures for hosting expenses enables the University to effectively comply with Federal and State regulations.

Exceptions to this policy must be authorized by the appropriate Dean, Vice Chancellor or Chancellor. Expenses incurred may be charged to University accounts. Activities such as retirement receptions, meals for staff members required to meet over usual meal periods for extended periods of time, and office gatherings are examples of such events. Floral arrangements, when deemed appropriate for such events, are also considered a legitimate University expense.

More restrictive and Hosting Expense policies and procedures mandated by specific programs, schools, departments, or offices will take precedence over University policies.

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REIMBURSABLE HOSTING EXPENSES

The Event

Hosting expenditures are reimbursable only by event. It is preferred that all expenses related to an event be submitted on a single voucher (even in cases where multiple individuals incurred expenses; the person on the voucher reimburses all other individuals). If multiple vouchers are submitted for an event, they must be submitted at the same time, and cross-reference each other. Always obtain and use an Event Identifier number.

If one or more vendors are used for the event and the cost per vendor is \$500.00 or more, it is preferred that a p-card or purchase order is used. If the total cost of an event is under \$500.00, the hosting unit is responsible for paying all costs, including any vendors; to avoid out-of-pocket costs, the hosting unit may use a travel advance and/or credit card (see below).

Reimbursables

The University will reimburse faculty, staff and students for approved, necessary and reasonable business meal and other business hosting expenses if such activities are directly related to University business and are conducted for the benefit of individuals outside the University who are present. See [Indirect Cost Recovery Excluded \(ICRX\) Expenditures](#) document for further information.

It is considered acceptable for University departments to recognize the efforts of their staff members with group recognition functions (e.g., unit picnics and outings) and retirement receptions. All grocery items are reimbursable, including paper, decorative items and floral arrangements. Pop bottles/can deposits are not reimbursable. Alcoholic beverage restrictions apply (see below).. However, discretion should be used, and all events should be reviewed for appropriateness prior to the occasion.

Lunches: Only business lunches are reimbursable. Lunches exclusively of co-workers are deemed reimbursable based on their frequency, occasional lunches/meals can qualify as an appropriate expense, while regularly scheduled meetings which involve a meal may be considered taxable by the IRS, and are not reimbursable.

University representatives may be reimbursed for approved, necessary and reasonable local business meal expenditures. Business meal expenses, including non-alcoholic beverages and tips, should not exceed the maximum allowances listed in the Travel and Business Hosting Expense Report Checklist. Reimbursement for alcoholic beverages is at the discretion of the department. Alcohol expense must be flagged with an "X" Class

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(see [Indirect Cost Recovery Excluded \(ICRX\) Expenditures](#) document) and charged to a non-General, non-Federal or non-Sponsored fund, or alternatively the cost may be covered with personal funds. Business meals are those taken with guests, colleagues, or donors, during which focused business discussions take place. Business meals with vague, unfocused purposes (such as to foster collaboration between departments) are not permitted.

An exception memorandum must accompany any requests for reimbursement of business meal costs exceeding the maximum allowances listed in the [Travel & Business Hosting Expense Report](#) (see Exception Policy). The expenses including tips that exceed these amounts must be segregated, and cannot be charged to General or Federal funds.

- Use of the P-Card to pay for business meals is encouraged whenever possible. Obtain an [Event Identifier Number](#) and clearly document the purpose of the meeting, the amount of the expense, the date of the event, the location, and a list of attendees with their University affiliation on the [P-Card Hosting Form](#). Attach this form to the P-Card statement.

Restrictions

Floral arrangements: Reimbursable only for approved University events.

Alcoholic beverages: Not permitted on any General Fund (238000-23999), Federal Fund (000000-099999), or sponsored account (some 3XXXXXX) accounts.

Events not reimbursable: Birthdays, Get Well Greetings, Births, Deaths, Anniversaries, Secretary's Day, farewell gatherings (except retirements), Boss's day, and gifts.

COSTS

In all cases, except when a purchase order is being used, the hosting unit is responsible for paying all costs of a hosting event. To avoid out-of-pocket costs, it is strongly recommended that you use one of the following methods of payments:

* Purchase Order: Can only be used for a single vendor where the cost of the event is estimated over \$500.00. With limited exceptions, Ann Arbor Purchasing will not permit open orders for catering. If under \$5,000, you should contact Purchasing (by phone or for a confirming purchase order).

* Orders over \$5,000 are subject to be bid (you should contact a Purchasing

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Buyer for assistance).

* Department Purchasing Card: Based on the current per transaction limit and monthly limit, costs will be paid directly by the University. Be careful to retain all receipts for later vouchering.

* Travel Advance: Obtain from Cashiers prior to the event only. Advances must be \$100.00 or more, and may be vouchered only by a [Travel & Business Hosting Expense Report](#).

REIMBURSEMENT

The Forms

* When submitting a [Travel & Business Hosting Expense Report](#) to Financial Services, please provide the original with receipts taped on a clean, white 8 1/2" x 11" sheet of paper. In cases where an advance is being repaid, please deposit the money at UM-Dearborn Cashiers and then staple your cashier's receipt to the front of the Expense Report.

* All documents, including purchase orders, hosting documentation forms, and hosting expense reports, must be signed by a Dean, Vice Chancellor, or the Chancellor (or their designee).

* Hosting costs while on Travel Status must be submitted on the [Travel & Business Hosting Expense Report](#), and not submitted separately.

The Method of Reimbursement

The method of your reimbursement will depend upon the amount of cost incurred, and, in some cases, the location of the event.

* \$25.00 or less AND on-campus: e.g., department or committee meeting

Department Purchasing Card: Charge costs (retain receipts), complete a [P-Card Hosting Form](#), and submit form and receipts with Purchasing Charge Card Payment Form.

OR

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- Cashier's: Complete a [Hosting Documentation Form](#) and a [Petty Cash Voucher](#), and submit both forms with receipts to Cashier's for immediate reimbursement.

OR

* \$25.00 or less and off-campus event: (e.g., business lunches)

Department Purchasing Card: charge costs (retain receipts), [P-Card Hosting Form](#), and submit form and receipts with Purchasing Card Payment Form.

OR

Travel Audit: Complete a [Travel & Business Hosting Expense Report](#), and submit form and receipt to Financial Services (1161 AB). You will receive reimbursement directly from Travel Audit.

* Over \$25.00:

Department Purchasing Card: Charge costs (retain receipts), complete [P-Card Hosting Form](#), and submit form and receipts with Purchasing Charge Card Payment Form.

OR

Travel Audit: Complete a [Travel & Business Hosting Expense Report](#) and submit form and receipt(s) to Financial Services (1161 AB). You will receive reimbursement directly from Travel Audit.

References

- [SPG 501.4-1](#)
- [Indirect Cost Recovery Excluded \(ICRX\) Expenditures](#) document

Forms referenced in this document include:

- [Travel & Business Hosting Expense Report](#)
- [Hosting Documentation Form](#)
- [P-Card Hosting Form](#)
- [Petty Cash Form](#)