



## Memo

TO: Distribution List  
FROM: Laura Humberger, Controller  
DATE: January 31, 2005  
RE: Guidelines for Food Purchases and Campus Hospitality

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The Montana Board of Regents and the State Procurement Bureau have previously issued policies regarding food purchases and campus entertainment. The Board of Regents' "Campus Entertainment" policy, issued in 1999, is available for your review at: <http://mus.edu/borpol/bor200/205-4.pdf>.

The information below is considered procedural in nature, and is being provided as a guide to help departments determine what costs are allowable under State and Board policy. PLEASE NOTE: GRANT REQUIREMENTS MAY BE MORE RESTRICTIVE (FOR EXAMPLE, G&C FUNDS MAY NOT BE USED FOR ENTERTAINMENT, CODED TO ACCOUNT 62824, BUT MAY BE USED FOR LIGHT REFRESHMENTS IN CONNECTION WITH AN EDUCATIONAL SEMINAR, ACCOUNT 62809).

- 1) The following food and entertainment expenses are generally **not considered necessary** for the operation of MSU facilities, and thus will not be paid:
  - a) Refreshments or meals purchased for unofficial events such as holiday celebrations, office parties, birthdays, etc.
  - b) Refreshments or meals purchased for personal consumption by employees when no business purpose is evident.
  - c) **Alcohol is never a reimbursable expense; tips may not be calculated on alcohol purchases.**
  
- 2) The Delegation Agreement between MSU and the State Procurement Bureau gives MSU the authority to purchase all food necessary for the operation of the facilities. Generally, the following food purchases **are considered necessary**:
  - a) Food purchased by Auxiliary Services for the operation of MSU facilities.
  - b) Food purchased for official entertainment, community relations, or public relations only when such activities are directly related to the objectives of the campus and are for official business.
  - c) Food purchased to host a modest retirement celebration, in honor of an MSU employee. Retirement is limited to those ceasing employment, and does not include persons leaving for other employment.

- d) Food purchased in support of meetings, seminars, and training courses only when such activities are directly related to the objectives of the campus and are for official business.
  - e) A department may choose to stock reasonably priced coffee and similar beverages. It is not appropriate to purchase gourmet coffee or tea.
- 3) When submitting BPA's for food purchases, please follow these procedures:
- a) **Food purchases under \$30:** Include the following information in the lower right hand corner titled "Ref/Additional Information block":
    - i) Purpose of the food purchase or entertainment expense including the specific meeting, conference, seminar, etc.
    - ii) If possible, obtain and attach a list of attendees, by name or by group, i.e., "Latin Studies Department Staff."
    - iii) Please use the proper account codes (62809 for refreshments during educational seminars; 62824 for refreshments or meals during other official functions; 62815 for employee recruiting).
  - b) **Food purchases over \$30:**
    - i) The Hospitality Approval Form must be attached with the BPA.
      - (1) Include the proper account code as noted on the Hospitality Approval Form
      - (2) Include the appropriate signatures: i.e., Dean, Director, Department Head, or Vice President as applicable.
    - ii) Exceptions:
      - (1) Entertainment of student prospects is exempt from the use of this form; however, please note the purpose of the meeting and attendees on the BPA.
      - (2) Purchases of food for participant activities, for which the participants are being charged to cover the costs of the activity, are exempt from the use of this form; however, please note the nature of the activity on the BPA.
  - c) Tips for meals as described above are considered part of the meal expense and are allowable with proof of payment; however, tips should be limited to a reasonable amount, generally 15%, with reasonable discretion for rounding. **THESE GUIDELINES DO NOT APPLY TO TRAVEL CLAIMS: FOR TRAVELERS; PER-DIEM RATES ADDRESS THE ENTIRE MEAL COST—TIP INCLUDED.**
    - i) If a tip is assessed by the restaurant and is not at the discretion of the buyer, as evidenced by a printed restaurant ticket, it is reimbursable up to 20%, again with reasonable discretion for rounding.
    - ii) Allowable tip percentages must be calculated on the balance after subtracting alcohol.

I hope the guidelines above assist you in complying with Board of Regents' and State policies. If you have questions or require further information, please contact accounts payable at X-5739 or the accounting office at X-5727. Thank you.