

Guideline for Food Purchase

1. Allowability versus Taxability

- a. Allowable Expenses-Most food purchases are allowable, except the following based on USI internal policy.
 - i. Alcohol
 - ii. Departmental staff meeting
 - iii. Meals for elected officials or government employees who are not guest at University wide events
 - iv. Office parties (birthday, retirement, holiday)
 - v. Hospitality related to fund raising where the revenue is deposited into the USI Foundation*
- b. Taxable expense-As stated most food expense are allowed, however IRS dictates whether an expense is reportable.

2. Expenses allowed and not taxable

- a. Official business of the Board of Trustees
- b. Official University-wide functions
- c. University-wide training or recognition
- d. Events with the primary purpose of student recruitment, recognition, or attendance
- e. Extended Services courses, where the cost of the course includes a factor for hospitality
- f. Meals when employees are required to work through a normal meal hour without an opportunity to have the meal at an alternate time
- g. Meetings or events with members of the community or other non-employees to conduct official University business or represent USI
- h. Meetings with representatives from multiple departments if the cost per person is less than \$25
- i. Formal employee training, recognition, and celebrations conducted away from the place that the employees' work is normally performed if the cost per person is less than \$25
 - i. To be allowable as formal training, an event must:
 1. Have a detailed agenda for the training activities; and
 2. Have a facilitator or lecturer from an organization other than USI.
 3. Be conducted away from normal workplace
 - ii. In the absence of a facilitator or lecturer from off campus, then the department must seek approval from its provost or vice president to meet the requirements of the hospitality policy. In other words, the approval from the provost/vice president makes the training formal and differentiates it from a staff meeting. Likewise, training conducted or approved by Human Resources should be considered formal under the hospitality policy.
- j. Meals provided to the spouse of an employee when the spouse is representing the University and his or her attendance is required or expected

3. Expenses allowed, but taxable

- a. Food for the purpose of encouraging or recognizing effort or achievement of employees other than University-wide events to honor employees
- b. Meetings with representatives from multiple departments if the cost per person is \$25 or more
- c. Formal employee training, recognition, and celebrations conducted away from the place that the employees' work is normally performed if the cost per person is \$25 or more