

# North Dakota State University

## Policy Manual

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### SECTION 170

#### PAYMENT OF MEALS FOR STAFF AND GUESTS

SOURCE: SBHE Policy Manual, Section 806.1; SBHE Procedures Manual, Section 806.1

1. Payment or reimbursement of employee travel expenses, including meals or per diem, is governed by N.D.C.C. §§ 44-08-04 (lodging and per diem), 44-04-04.1 (per diem for long-term travel), 44-08-04.2 (travel advances), 54-06-09 (mileage) and 54-06-26 (reimbursement of one long-distance call per day). NDSU shall reimburse officers and employees for eligible travel expenses at the rates set forth in those statutes. However, institutions may, pursuant to subsection 7 of N.D.C.C. § 44-08-04, set a rate for travel expenses outside the state lower than the rates set forth in that statute. In addition to expenses for travel out of town, employees are also entitled to reimbursement for meals attended in the city where they normally work if such attendance is required or requested in connection with their duties. (Source: State Board of Higher Education Policy 806.1, part 1).

*(NDSU Interpretation)*

*1.1 Staff members must pay for their own meals in the community in which they are employed. Exceptions to this policy are provided for the following:*

- a. *Functions attended at the request of and on behalf of the institution, including recruiting of staff and faculty, business meals with university guests, staff retreats (limited to one retreat per year for any one unit). Meal reimbursement will be at actual cost. Activities are subject to the following:*
  - *The primary purpose must be business related.*
  - *The employee must have either been required to attend or attendance was approved by his or her supervisor or employer.*
  - *There must be at least one university guest present at a business meal. A university guest must be a non-employee of NDSU. (Spouses of employees will normally not qualify.)*
- b. *Meals included in the cost of a conference or seminar are guided by Policy 515, part 6.2.*

*(Source: State Board of Higher Education Procedure 806.1, part 9.)*

*1.2 EXAMPLES of events for which meal expenses may be paid or reimbursed if an employee is required to attend as part of the employee's duties include:*

- *Events associated with recruitment of institution and system employees, including a meal at a local restaurant with a candidate or candidates hosted or attended by a employee as a member of a search committee.*
- *A Chamber of Commerce banquet or similar event.*
- *Annual staff retreat focused on issues specific to planning and assessment.*
- *An organized retirement function.*

- A meal for the primary purpose of conducting business that is scheduled at or about the same time or in lieu of a meal at a paid conference or other event an employee is attending.
- An organized annual banquet or similar event honoring employees or students.

(Source: State Board of Higher Education Procedure 806.1, part 10.)

1.3 EXAMPLES of events for which meal expenses may not be paid or reimbursed include:

- Regular or recurring staff meetings and activities.
- Events attended at an employee's choice and not because the employee is required to attend or as part of the employee's duties.
- Holiday celebrations and events.
- Alcoholic beverages at any function or event.
- Expenses for employee spouses or other family members, except as explicitly authorized under applicable policy or procedure.
- Expense for an employee meal if an employee elects to not attend a meal paid for or reimbursed as part of a conference fee, unless it is necessary for the employee to miss the scheduled conference meal for a separate meal scheduled at or about the same time for the primary purpose of conducting business.

2. The university may pay expenses, including meals and costs of coffee and other beverages or snacks, for hosting dignitaries, guests, seminars and conferences; however, institutions may not use public funds to purchase alcoholic beverages. The university may pay expenses of coffee or other nonalcoholic beverages and snacks for institutional meetings or other employee functions. (Source: State Board of Higher Education Policy 806.1, part 2.)

- a. The expense may be paid or reimbursement may be claimed individually or for a group. The expense must be reasonable, moderate, and withstand the test of public scrutiny. When feasible, documentation demonstrating reasonableness should be submitted. For example, if a NDUS group hosts a conference and in lieu of rental of conference rooms, a specified cost per meal is paid, a cost comparison should be submitted. (Source: State Board of Higher Education Procedures 806.1, part 5.)

*(NDSU Interpretation)*

- b. *Institutional meetings may include monthly staff meetings where the business purpose of the meeting is clear. The best way to make the purpose clear is to have a formal agenda.*

3. As stated in NDCC § 44-08-04, employees may claim reimbursement for meals that are included as part of a registration fee for a conference, seminar, or other meeting and for meals attended at the request of and on behalf of the university. If a meal is included in a registration fee, the applicable quarter allowance cannot be claimed for that meal. If the reasonable cost of a meal attended at the request of and on behalf of the university exceeds the applicable quarter allowance, an employee may claim reimbursement for the actual, reasonable cost of the meal. (Source: State Board of Higher Education Policy 806.1, part 3.)

3.1 Documentation required for payment or reimbursement of meal expenses for a conference, seminar, or other meeting must include:

- Nature of event and purpose;

- Location;
- Date and approximate time;
- Meal served (i.e., breakfast, lunch, dinner);
- Receipt or invoice; and
- To the extent it is practical, a list of those in attendance.

(Source: State Board of Higher Education Procedure 806.1, part 4.)

4. As permitted in NDCC § 44-08-04 and NDUS HR Policy 31, athletic team or other organized group meal and other travel expenses may be documented and paid for the group and employees are not required to submit separate individual travel reimbursement vouchers for expenses detailed and documented on a team or other organized group report. (Source: State Board of Higher Education Policy 806.1, part 4.)
5. NDSU may directly pay the reasonable cost of employee meals, in lieu of individual employee claim for reimbursement of the applicable quarter allowance, for meals attended as part of a conference, seminar, or other meeting at the request of and on behalf of the university. For example, if an employee is a member of a system or institution task force or search committee and is expected to attend a meal in connection with task force or search committee duties and responsibilities, the NDUS or NDUS institution may directly pay the actual, reasonable cost of the meal, in which case the employee may not claim the applicable quarter allowance. (Source: State Board of Higher Education Policy 806.1, part 5.)
6. The cost of a meal paid or reimbursed by the university under this policy may not in any case exceed a reasonable amount. The chancellor shall adopt an implementing procedure defining what is reasonable. (Source: State Board of Higher Education Policy 806.1, part 6.)
  - 6.1 The U.S. General Services Administration (GSA) meal per diem rates shall be used as a guideline for determining reasonableness of cost of meals for which per diem reimbursement is not claimed and payment or reimbursement of actual cost is permitted under Policy 806.1 and this Procedure. As a general rule, a meal for which the cost does not exceed 125% of the GSA rate is considered reasonable. Payment or reimbursement for cost of a meal that exceeds 125% of GSA rates is permitted only with written documentation explaining why the expense was reasonable and justified. Employees are not required to document individual employee orders and calculations may be based on an average cost for all participants. (Source: State Board of Higher Education Procedure 806.1, part 7.)

*(NDSU Interpretation)*

- 6.2 *The NDSU Accounting Office website will provide further details and examples on applying the reasonableness test in part 6.1, above.*

7. Payment or reimbursement of an expense that personally benefits an employee (except to pay or reimburse the reasonable cost of a meal or other expense) is prohibited. (Source: State Board of Higher Education Procedure 806.1, part 6.)

*(NDSU Interpretation)*

8. *In situations where the Accounting Office disagrees with a department's interpretation that a payment is an allowable expense under this policy, the payment will be routed to the appropriate Vice President or Provost for approval.*

- a. *If the Vice President or Provost does not support the purchase, the employee will need to personally fund the expense.*
- b. *Some expenses may be more appropriately paid for by a source outside of NDSU, such as a foundation or other organization.*
- c. *Payment will not be approved for purchase of food or beverages, including coffee breaks for departmental activity unless the activity meets one of the functions described above.*
- d. *Names of either the individuals or official groups attending a meal, as well as the purpose of the activity involved, should be included on a Banquets & Meetings Documentation Form. This documentation form must be attached to the Accounts Payable Voucher or Invoice, if paid in the department, for payment of any meals under this policy.*

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HISTORY:

New	July 1990
Amended	April 1992
Amended	November 1992
Amended	January 2003
Amended	September 25, 2012
Amended	October 4, 2012
Housekeeping	October 24, 2012