

North Dakota State University

Policy Manual

SECTION 170

PAYMENT OF MEALS FOR STAFF AND GUESTS

SOURCE: SBHE Policy Manual, Section 806.1; NDUS Procedures Manual, Section 806.1, OMB Policy 505

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), 44-08-04.1 (per diem for long-term travel), 44-08-04.2 (travel advances), and 54-06-09 (mileage). 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).

- 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:

- Functions attended at the request of and on behalf of the institution, including recruiting of staff and faculty, business meals with university guests, and staff retreats (limited to one retreat per year for any one unit). Meal reimbursement will be at reasonable 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.)
- Meals included in the cost of a conference or seminar are guided by NDSU Policy 515, part 6.2.

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

- A Chamber of Commerce banquet or similar event.
- Annual staff retreat for strategic planning or training.
- An organized entity-wide or department annual banquet or similar event honoring employees or students.

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

- Regular staff meetings and activities.
- Events attended at an employee's choice and not because the employee is required to or asked to attend or as part of the employee's duties.
- Holiday celebrations and events.
- Anniversary, retirement, birthday or similar events. It is permissible to purchase a cake or similarly priced treats and non-alcoholic beverages for a retirement celebration.

- Expense for an employee meal if an employee elects to not attend a meal paid for or reimbursed as part of a conference fee or hotel fee, without a reasonable documented explanation.

1.4 Alcoholic beverages may not be purchased unless the alcoholic beverages will be used for educational purposes.

2. The university may pay reasonable expenses, including meals and costs of coffee and other non-alcoholic beverages or snacks, for hosting dignitaries, guests, seminars and conferences.

2.1 The university may pay for the reasonable cost of coffee, non-alcoholic beverages and snacks for structured institutional-wide meetings.

2.2 Names of either the individuals attending or the official groups attending the event, as well as the purpose of the activity involved, should be included on a Banquet & Meeting Documentation Form. This documentation form must be attached to the Accounts Payable Voucher, Expense Report or Invoice, for payment of any meals under this policy.

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.

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);
- Itemized receipt or invoice indicating approximate number of meals provided

4. NDCC § 44-08-04 governs athletic teams or other organized institution group meals and other travel expenses. NDSU Policy 515, part 6.5 includes additional guidance.

5. NDSU may directly pay or reimburse the reasonable actual cost of employee meals, in lieu of individual employee claim for reimbursement of the applicable quarter allowance, for meals attended as part of a meeting at the request of and on behalf of the university. Such events may include system or institution task force, search committee, faculty and staff recruitment meals. However, employees cannot claim per-diem reimbursement for the meals.

6. The cost of a meal paid or reimbursed by the university under this policy may not in any case exceed a reasonable amount as defined below.

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 NDUS Procedure 806.1 and this Policy.

A meal for which the cost does not exceed 125% of the GSA rate is considered reasonable.

Employees are not required to document individual employee orders and calculations may be based on an average cost for all participants.

- 6.2 The maximum tip amount for banquet & meeting meals or hosted meals is 20% of the total bill.
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 business-related expense) is prohibited.
8. The cost of a meal may be taxable to an employee when the employee is not on an overnight trip, dependent upon the following circumstances:
- 8.1 Taxable: The cost of an employee meal paid or reimbursed by an employer is taxable to the employee if the employee is not on an overnight trip, per United States Internal Revenue Service publication 5137, section 9. A written exception may be made by the Chief Institutional Executive Officer or their designee under extenuating circumstances. For example, during an emergency, meals are provided to employees who cannot leave the institution as part of their job duties.
- 8.2 Not Taxable: The cost of a meal that does not involve overnight travel is not taxable to the employee if the meal is part of a meeting or other event scheduled for the primary purpose of conducting business and the event is not a regular occurrence.
- 8.3 Not Taxable: The cost of a meal included as part of the fee for a conference, seminar, meeting or other event is not taxable to the employee, regardless of whether the employee is on an overnight trip or on travel status.
9. Some expenses may be more appropriately paid for by a source outside of NDSU, such as a foundation or other organization.
10. Payment will not be approved for purchase of food or beverages, unless the activity meets one of the functions described above.
11. If the purchase does not meet the requirements of this policy as an allowable reasonable expense and there are no outside funds to cover it, the employee will be required to personally fund the expense.

HISTORY:

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