

Hospitality Expense Reimbursement Procedure

General Procedures

University of Guelph recognizes that expenditures for business entertainment are incurred in carrying out University responsibilities. The University shall reimburse reasonable and necessary expenses related to and in support of University activities.

This procedure is considered supplemental to the Travel and Expense Reimbursement Policy, so will include or incorporate all the general principles, rules, definitions, and procedures in that policy.

As a Broader Public Sector (BPS) organization, the University of Guelph is guided by the [BPS Expenses Directive](#).

Scope

Hospitality expenses include the provision of food, beverage, accommodation, transportation, gifts or other amenities paid out of University funds when the event involves people from outside the University. Functions involving only people who work for the University are not considered hospitality functions. Refer to Section B on Internal Meetings and Staff Events for allowable expenses related to University employees.

This procedure applies to the reimbursement of all entertainment expenses from all funding sources including operating, research, ancillary, capital or trust. (Note: In cases where funds provided by external sponsors require more restrictive terms and conditions related to business entertainment expenses, the more restrictive policies and procedures will apply. If the terms and conditions are less restrictive, University of Guelph policies and procedures apply.)

Consultants/Contractors: In no circumstances are hospitality, incidental or food expenses allowable expenses for consultants and contractors or in any contract between University and a consultant or contractor.

Responsibilities and Authorizations

Please refer to the Responsibilities & Approvals information in Travel and Expense Reimbursement Policy

Major Hospitality Types

Hospitality related to teaching, research and service activities can cover a variety of situations. The principles noted above must apply to the charge of hospitality expenses. There must be clear documentation as to the business purpose of the expense, the date and place of the expense, the names of attendees and the business relationship of the persons entertained.

For the reimbursement of alcoholic beverages, except where prohibited by external funding agencies, alcohol may be charged to the University under certain circumstances. In all cases where alcohol is to be reimbursed, prior approval of the signing authority must be obtained. Its use must be in moderation and be served and consumed in a responsible manner in accordance with both University polices including the [Alcoholic Beverages Policy](#) and provincial rules for the consumption of alcohol.

Alcoholic beverages are not permitted as reimbursable expenses for internal-only events except in cases where there is a clear non-governmental external funding source that specifically allows alcohol as a permitted expense.

The following list includes a brief description of the most common categories of hospitality related to University business and the applicable expense type/object codes to be charged:

A: Hospitality expense involving an individual(s) external to the University

An expense in this section is deemed to be any activity that supports the educational, research or service activities of the University of Guelph, and includes individuals who are not the University's employees or students. It includes receptions or meals whether conducted under normal departmental business or as part of an expense claim. A reasonable expense is deemed to be based on sound judgement, moderation, and may include alcohol.

The issues of effective fund management and stewardship are prominent with respect to business entertainment because of the potential for personal benefit and the general perception in that regard. As the alcoholic beverage is highly scrutinized, prudence should be exercised when considering the purchase or consumption.

1. Entertainment (object code: 62402)

This category includes an occasion when a university employee, in the performance of their duties/responsibilities, invites an individual(s) external to the university (i.e., a visitor(s)) to a breakfast, lunch, dinner, event, or celebration. Examples include:

- Hosting at a restaurant (including while traveling), at home, at a university facility.
- Tickets for social, cultural, or sporting events. (e.g., Gryphon athletic event)
- Gifts for visitors, e.g., for someone visiting the University of Guelph or given to someone when visiting another university. Gifts should be tokens of appreciation of modest value.
- Volunteer appreciation or recognition

2. Public Relations/Fundraising (object code: 62411)

This category includes an occasion when a university employee hosts an event that relates to the performance of their duties and their public relations/fundraising responsibilities. Examples include:

- Recognition event for a major donor
 - Alumni receptions
 - Donor reception, presentation, or introduction
3. Recruitment (object code: 62403)

This occurs when a university employee hosts an event that relates to recruitment of prospective faculty, staff, or students. Hosting at a restaurant, at home or at a university facility are typical expenditures.

B. Hospitality expense – internal only

Normally hospitality costs of university employees are not reimbursable, except in special circumstances. Such circumstances would include time limitation (extended workday), nature and sensitivity of matters to be discussed, staff recognition or working meetings either on or off campus. Decisions to host these meetings or events should be made with due consideration for the prudent and responsible use of public funds, and in accordance with government direction (i.e. BPS Expenses Directive) on accountability and transparency.

1. Staff Appreciation/Recognition (object code: 62412)

Normally the costs of entertaining fellow University employees are not reimbursable, however there are unusual/special circumstances where it is appropriate to recognize employee(s) for extraordinary service or retirement including;

- When a university employee (Department Head, Chair, or Dean) hosts an event for the purpose of staff appreciation or staff recognition such as an employee retirement.
- Where a gift (flowers, etc.) may be given to staff for special occasions or in sympathy, the gift is considered a token of appreciation and should be of modest value. NOTE: Gift certificates (cards) that are given to an employee for any reason are considered to be "near cash" by CRA (Canada Revenue Agency) and therefore a taxable benefit to the employee.
- For additional information refer to HR policies: [710 Service Recognition and other Performance Based Awards](#); [711 Gifts to Employees and Recognition of Significant Events](#); [712 Recognition of Bereavement or Illness](#)

2. University Business Meetings (object code: 62413)

There are allowable circumstances when a meal or refreshments are served at a meeting related to university business. Generally, these are meetings at which only university employees will be in attendance but there may also be occasions when a visitor(s) participates in these meetings.

Such hospitality should be restricted to occasions of a formal nature such as training, planning or assessment functions.

Expense Reimbursement Process

A. Reimbursement through Expense Claim System

Hospitality expenses must be paid by the most senior employee hosting the event. For example, in cases where a supervisor (an individual one level above) and a subordinate attend the same event/meal, the supervisor must incur the expense.

Hospitality expenses can be reimbursed only by submitting a properly completed and approved expense claim form. This form, accompanied by original documents, should be submitted through the Expense Claim System within thirty days after the expense was incurred, or thirty days after the claimant returns to the University if the expense was incurred while the claimant was travelling on University business.

Original receipts and/or invoices, and proof of payment are required for reimbursement of all entertainment expenses. Credit card receipts, debit card slips, and cancelled cheques are not acceptable as they do not provide sufficient detail of the items purchased, price breakdown or tax treatment. The claim should be supported by a detailed business purpose and include the number of individuals entertained and the names and affiliation of the individuals or group involved.

It would be unreasonable to expect reimbursement more than one year after related expenses have been incurred. After one year, expenses would be considered stale dated and no longer eligible for reimbursement, except when it is approved as per “Exceptions” section below.

B. Alternate Reimbursement Options for Hospitality Expenses

1. Departmental Charge Cards (Hospitality Services)

- For convenience, departments may use the department card issued by Hospitality Services (for the purchase of internally provided services). Some of these services may be provided as hospitality expenses under the definitions of the University’s Hospitality procedure.
- Users of the card for hospitality expenses must obtain receipts and follow the Travel and Expense Reimbursement Policy on the Financial Services web page.
- These receipts and any other required documentations must be retained in the department and are subject to audit upon request.

2. Direct Billing

- Charges for hospitality expenditures may be directly billed by remitting a supplier invoice with coding to the appropriate fund to Payment Services.

- The same rules of documentation and object expense coding required for expense claims apply to direct billing.
- The necessary approvals and documentation must be written on the invoice (or in an attachment) and submitted to Payment Services for processing in the normal manner.

Ineligible Expenses

Ineligible expenses include, but are not restricted to the following:

- Memberships deemed to be social in nature
- Non-business related or personal expenses
- Interest charges levied on overdue invoices or credit card statements
- Meals included in another reimbursable item (e.g. conference, accommodation, transportation, travel expense claim)
- Expenses related to accompanying companion(s)
- Social events deemed to be personal in nature
- Non-University fundraising expenses

Exceptions

At times, special circumstances may arise that warrant exceptions to this procedure. Any exceptions must be approved as per the 'Exceptions' section in Travel and Expense Reimbursement Policy.