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Name: University Policy on Hospitality and Entertainment Expenses

Policy Number: 4-3014

Origin: Financial Services

Approved: February 9, 2009

Issuing Authority: President

Responsibility: Vice-President, Finance and Administration

Effective Date: 2019-OCT-16

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Purpose

To ensure that hospitality and entertainment extended by the University is managed in a consistent and cost-effective manner.

Policy

It is the University's policy to extend appropriate hospitality, including entertainment, when it serves the University's interests by enhancing public relations.

Scope

All members of the University community are subject to this policy.

Financial Control and Reporting

Expenditure on hospitality and entertainment must not exceed departmental budget limits, must be for official purposes, must not be excessive, and should be able to withstand public scrutiny. All hospitality and entertainment expenses must be charged to account 76750.

Employees who pay for hospitality and entertainment expenses may request reimbursement by completing a [Reimbursement Form](#) and attaching original receipts to the form. A record of the guest list must be submitted with the Reimbursement Form.

Employees shall not approve their own request for reimbursement. The Reimbursement Form requires approval of the appropriate department head. The Reimbursement Form of the department head requires the approval of the individual to whom they report. The President's expense claim will be submitted to the Vice President, Finance and Administration and the Chair of the Board of Governors for approval. The individual who approves payment is responsible for ensuring that claims for expenses are for University purposes only and that all required supporting documentation is provided.

Expenses charged to Research Grants/Special Projects must meet the requirements of the granting agency and have approval of the Grantee, or where applicable, the University official responsible for the project and the approval of the individual to whom they report.

Employees shall be personally responsible for expenses which exceed reasonable limits or are not in compliance with this or other applicable policies.

Allowable Hospitality Expense

Following is an outline of hospitality categories along with examples of allowable expenses.

a) Meals and refreshments for prospective employees, visitors, volunteers, or donors:

- Expenses for the prospective employee and the principal individuals involved in the decision-making process (also see next section regarding full-time faculty).
- Expenses for the University host and individuals invited as visitors.
- Expenses for volunteer recognition events.
- Expenses related to donor cultivation, including those for the University host and the current or prospective donor.

b) Expenditures related to recruitment of full-time faculty:

- Before inviting potential faculty colleagues from outside of North America, the department shall consider video or telephone conferencing or some other means of pre-screening.
- When flying candidates to Halifax for interviews, the cheapest fare should be used.
- Candidates may be entertained to a maximum expense of \$250 from all university sources.

c) University sponsored receptions:

The University may pay or reimburse expenses related to University sponsored receptions. Following are examples of allowable receptions:

- Expenses for receptions to acknowledge long service or awards to faculty, staff, students, and alumni for outstanding accomplishments.
- Expenses for receptions to honour visitors, guests or dignitaries.
- Expenses for receptions for official "openings" of buildings, art exhibits, etc.
- Expenses for ceremonies such as convocations or public announcements.

d) Meals or refreshments served at meetings:

The University may pay or reimburse expenses for meals or refreshments served during meetings. Business must be actively conducted during the meal period.

Following are examples of allowable business meeting expenses:

- Expenses for working breakfast, lunch, or dinner meetings, when groups of employees are giving up personal time to conduct University business and if the meeting could not have been reasonably scheduled for another time. Managerial discretion and due regard for economy should be used in identifying such occasions and in ensuring that hospitality expenses are not claimed for meetings of colleagues working together on a regular basis.
- Expenses for meals or refreshments served at University sponsored seminars, workshops, orientations, or other University functions.
- Expenses for meals or refreshments served during University sponsored meetings of advisory groups, outside reviewers, or other committees when the group is composed of both University employees and non-employees.

Costs

The number of people being entertained should be kept to the minimum appropriate to carry out the business purpose of the event. Functions should minimize costs but be consistent with the status or rank of the guest(s).

Expenses greater than \$1,000 require pre-approval. A written request stating the purpose of the function, expected cost, and justification for the event must be submitted to the appropriate member of the Executive Management Group for approval.

Alcoholic Beverages

The cost of a prudent amount of alcoholic beverages may be considered an allowable expense under the following circumstances:

- Where the primary purpose of the event is fund-raising, fostering mutually beneficial community partnerships or international outreach.
- Established annual University events authorized by the President (e.g., employee recognition awards, volunteer recognition events, retirement dinners).
- Hosting official visitors to the University, including candidates for employment.

Liquor served at Saint Mary's must be consumed in a licensed area of the campus and be arranged through the [SMUSA Functions Department](#). Any other means of providing alcohol on campus is prohibited since it would be contrary to the Nova Scotia Liquor Control Act.

Entertainment

The University may participate in events which provide the opportunity to host and extend entertainment (which may or may not involve the provision of hospitality) to invited guests. Examples of allowable entertainment expenses are:

- Attendance at sporting, cultural and community events.
- Hosting at functions such as special dinners, receptions, performances or other major events being conducted at the University or off-campus.

Participation in entertainment activities should only be arranged where there is a clear benefit to be obtained for the University, such as the facilitation of sponsorship for University activities or as part of fund-raising projects.

The approving officer should be comfortable in publicly disclosing the cost of the hospitality and entertainment provided, should that be required, and be able to identify the benefit to the University.

Home entertaining

In some situations, entertainment at a University employee's home is more desirable and less costly. When a University employee hosts an allowable event in their home, reimbursement may be granted for food, beverages, and other expenses where directly related to the event. Itemized receipts must be provided with the Reimbursement Form.

University Organized Fundraising/Varsity Events

Where participation by University employees and guests is required for a University fundraiser or varsity event, the employees and guests will not be required to pay to attend the event, and no inter-department budget transfer will be made since the participation will be considered part of the cost of the event. All other participation in the fundraiser or varsity event shall be deemed to be a personal expense of the participant.

For example, an internally-organized golf event may have a small number of employees, invited at no charge, who have specific duties associated with the golf event.

Unallowable Expenses

Certain hospitality and entertainment expenses are not eligible for reimbursement. Following are examples of expenses that are not eligible.

a) Employee functions:

Expenses incurred in relation to the following events are considered to be personal in nature and therefore not reimbursable:

- Christmas and holiday receptions, parties, luncheons, meals or other gatherings except where sponsored by the University and made available to all employees.
- Celebrations of birthdays, weddings, births, showers, or other similar functions.
- Retirement and farewell receptions for University employees except where approved by the President.

The costs of these functions are the personal responsibility of the individuals participating, or the personal responsibility of the employee(s) sponsoring the invitation.

The University allows the use of its facilities for such functions subject to availability, operational requirements and prior approval of the relevant department head.

b) Political Activity

Political activity is subject to a separate [policy](#). Political expenses, for example the purchase of political event tickets or attendance by University officials at a political fundraising dinner, are personal in nature and will not be reimbursed by the University.

Exceptions

In extraordinary circumstances, a limited exception may be approved by a member of the Executive Management Group. In such cases, expenses still have to be reasonable in amount, be approved in advance of spending and have funding from an existing budget. If reimbursement will be made on a [Reimbursement form](#), supporting documents of the advanced approval will be required.

Auditing

Financial Services will conduct regular compliance audits and report to the Executive Management Group. Hospitality and entertainment expenses are also subject to audit from external agencies.