

**INSTRUCTIONS FOR BUSINESS MEETING & ENTERTAINMENT EXPENSE REIMBURSEMENT
USING FORMS U5-8E, U5-8EA & U5-EW**

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POLICY: Business and Finance Bulletin BUS-79, Entertainment, is a University-wide policy statement. Check with your control point for more restrictive procedures that may apply to your unit.

The web address for the policy text is: <http://www.ucop.edu/ucophome/policies/bfb/bus79.html>

SCOPE OF APPLICATION: The Entertainment policy will be interpreted broadly to apply to all activities and expenses associated with University sponsored events such as receptions, conferences, commencement, etc. Besides food and beverage expenses, Accounting will expect such expenses as flowers, banners, balloons, decorations, rentals, performers, servers and valets to be processed as entertainment expense. Wherever University controlled funds are expended for an event that has an entertainment component, the entire event should be considered subject to entertainment policy approval and host certification.

University control and sponsorship is assumed in cases where outside organizations and the University co-sponsor events. Policy and procedural controls are exercised over event expenses in such instances, even for "pass-through" expenses covered by participant fees deposited into agency or depository accounts or billed directly to the outside organization for reimbursement.

Departments organizing and managing sponsored events should prepare by carefully considering risks and exposure. Early planning should include consultation with control points, Business Services, Purchasing and/or Accounting; whichever is appropriate in obtaining approvals, services and supplies.

HELP: After reading the policy and studying the instructions on the forms, contact the following individuals for further help with processing reimbursements: Bernice Yost, 7741; Dolores Ramirez (formerly Cardenas), 3929.

FORMS: For reimbursements under the policy Form U5-8E, Payment Request: Business Meeting & Entertainment, required. This and two optional companion forms function as follows:

- U5-8E, Payment Request: Business Meeting & Entertainment, is used for all reimbursement requests. It is designed to be the only form needed if your department is not required to document advanced approval.
- U5-8EA, Blanket Prior Approval Request: Business Meeting & Entertainment, is optional for obtaining blanket approval for events that occur more than once and/or require more than one payment request. Approvals obtained on this form authorize all subsequent payments requests when copies are attached.
- U5-8EW, Prior & Exceptional Approval Worksheet for Entertainment, is optional if your Control Point requires prior approval. Can also be used to document BUS-79 Exceptional Expenses and any Control point enforced restrictions. Approvals obtained on this form authorize all subsequent payments requests when copies are attached.

The web address for all forms is: <http://ucsbuxa.ucsb.edu/Accounting/index.html>

APPROVALS and CERTIFICATION: Advance approval may no longer be required by your unit. However, in the event it is, see the discussion under FORMS above. Form U5-8E carries four signature areas with the following functions:

- **APPROVED BY:** Business officers and administrative assistants with signature authority for budget charged can approve entertainment payment requests if a copy of a signed prior approval, or blanket approval, for the event(s) and/or payment(s) is attached.
- **CERTIFICATION BY OFFICIAL HOST:** Department person responsible for carrying out the event. Often, but not always, the person incurring the expense. The host must certify to each payment request submitted on his or her behalf. It is not appropriate for the host to sign the original prior or blanket approval requests, if applicable.
- **APPROVING AUTHORITY for Entertainment Expense within delegated limit:** The individual with the entertainment delegation for your unit. Verify the approval limit delegated to your department head or manager by your control point.
- **APPROVING AUTHORITY for Exceptional Entertainment & Above Limit Expense:** The individual with the exceptional entertainment delegation for your control point.

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CASH ADVANCES should be kept to a minimum and cleared promptly. All approvals must be in place before a cash advance can be issued. Clearly indicate on the payment request that this is an advance. At the time documents are submitted to substantiate the event and clear the advance, the official host certifies and the business officer/administrative assistant approves the correlating Payment Request. This should occur no later than 10 days after completion of the event. A copy of the original approval should be attached. If no further payment is due, or if a refund is due the University, the Payment Request form should still be used for the purpose of clearing the advance. Follow the instruction on the form.

DEPARTMENTS AND EMPLOYEES REQUESTING AND RECEIVING CASH ADVANCES ARE RESPONSIBLE FOR ANY LOSS OF FUNDS OR UNSUBSTANTIATED EXPENSES.

ID NUMBERS: Independent service providers must provide their Taxpayer ID numbers before payment can be made. Vendor ID is required for employees who wish electronic payment processing (direct deposit and/or direct payment on their behalf to US Bank, the Corporate VISA Card issuer).

DISBURSEMENT PROCEDURE: When preparing and documenting payment requests, departments should plan for the mailing of payments directly to the payee by Accounting. Please provide whatever copies, originals and instructions are needed for enclosure with the payment and for Accounting's files. Checks held for pickup in Accounting should be done only under special circumstances.

NUMBER OF COPIES TO ACCOUNTING:

- ORIGINALS, including supporting detail: for Accounting
- COPY of Payment Request only: for payee
- ADDITIONAL COPY of Payment Request: for tax reporting (only needed in the case of tax reportable service payments)

EXCEPTIONAL ENTERTAINMENT EXPENSE for which higher level approval is needed:

- Expenses that exceed the per-person maximum rates specified in BUS-79, Appendix A. (Rates include taxes and service. Rates do not include the rental of meeting or conference facilities, which may be charged as an additional expense).
- Entertainment of the spouse (or equivalent) of a host or a guest.
- Tickets to entertainment or sporting events.
- Faculty or staff picnics or holiday parties.

State and Federal fund sources cannot be charged for exceptional expenses.

ALCOHOL AND TOBACCO: Alcohol and tobacco can only be charged to fund sources that specifically allow such charges. State and Federal funds may not be charged for alcohol and tobacco.

EXPENSES THAT ARE NOT REIMBURSEABLE UNDER THIS POLICY: These include employee birthdays, weddings, anniversaries, farewell gatherings (other than retirement, see G-41), Secretary's Day, etc. Reimbursements that result in taxable income to the employee under the Internal Revenue Code are not allowed under this policy. (See BUS-79.)

EXPENSES ABOVE DELEGATED LIMIT: Control points may delegate signature authority with dollar limits. If a payment request exceeds the approved dollar limit, exceptional approval must also be obtained. However, fund source restrictions may not necessarily apply if within the per-person maximum rate.

EXPENSES UNDER THE EMPLOYEE NON-CASH AWARDS POLICY: Some expenses incurred under Business and Finance Bulletin G-41, Employee Non-Cash Awards, may also be subject to entertainment policy per person limits. When processing such expenses on an entertainment form, please reference the appropriate section of the G-41 Awards policy.

The web address for the policy text is: <http://www.ucop.edu/ucophome/policies/bfb/g41.html>

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OBJECT CODES SPECIFIC TO ENTERTAINMENT EXPENSE

Federal costing guidelines prohibit some otherwise allowable entertainment expenses from being charged directly or indirectly to federal funds. Use of the correct object code prevents these charges from being included in the indirect cost calculation. Departments should exercise due diligence to assure that the appropriate object codes are used. Because of the "flow-through" nature of the indirect cost calculation, these object code categories are applicable for use with all funds, not just federal funds.

- 7250 Food & Beverages for Business Meeting/Conferences: Food and beverage costs of University business meetings or conferences held primarily for the dissemination of technical information (also includes host to official guest, faculty/professional recruitment, administrative meetings, student-oriented meetings).
- 7750 Social Activities & Entertainment: Costs of alcoholic beverages and social or entertainment events including amusement, diversion, and social activities and any costs directly associated with such costs such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities (for example, prospective donors, community relations).

All exceptional expense amounts should be separated out from 7250 amounts and distributed separately to object code 7750.

FUNDING SOURCES

Even if an entertainment expense is allowable and appropriate, availability of funds and fund source limitations must be considered. Some expenses are prohibited as charges to certain fund sources. See BUS-79 for complete discussion. See also Appendix A of this document, Current Fund Restrictions Governing Business Meeting and Entertainment Expense.

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Appendix A

**CURRENT FUND RESTRICTIONS GOVERNING BUSINESS MEETING
AND ENTERTAINMENT EXPENSE**

FUND SOURCE	FUND NUMBER	ENTERTAINMENT EXPENSE	EXCEPTIONAL ENTERTAINMENT EXPENSE
Regents Funds	04100-09599	Yes	No, unless specifically provided for
General Funds	19900	Yes	No
Registration Fees	20000	Yes	No
Educational Fees	20095	Yes	No
Program Fees	201XX-20289	Yes	No
Summer Session & University Extension	20290-20499	Yes	No
State Appropriations	205XX	Yes	No
Contracts & Grants (units are responsible for complying with fund source restrictions)	206XX-33999 57XXX-58999 59XXX	No, unless specifically provided for	No, unless specifically provided for
Endowment Income (unrestricted funds only; units are responsible for adhering to donor restriction, if any)	34XXX-39599	Yes	No, unless specifically provided for
Private Gifts (unrestricted funds only; units are responsible for adhering to donor restriction, if any)	4XXXX-56999	Yes	No, unless specifically provided for
Sales & Services Accounts	6XXXX	Yes	No, unless specifically provided for
Auxiliary Enterprises	70000-74000	Yes	No, unless specifically provided for
Reserves	75XXX	No	No