

Client Agency Policy & Operations Manual

SECTION: 30 Management and Fiduciary Operations

NUMBER: SCS-30-050

TITLE: Use of State Funds for Meals and Refreshments

EFFECTIVE DATE: 2-11-02

APPROVED: (Signature on file at State Controller's Division)

**PURPOSE and/or
RESULTS
DESIRED:**

This policy provides guidelines to agencies concerning when meals and refreshments may be paid for with State funds. Applicability of this policy is limited to non-travel business meals and refreshments. Non-travel business would include meetings, training sessions, or other agency-sponsored events to conduct official state business. This policy does not apply to reimbursement (through submission of travel expense claim) or provision (provided by agency directly) of meals and refreshments to employees or authorized non-state individuals, including volunteers, while the employee or individual is on travel status. See [OAM 40.10.00.PO](#) (travel policy) for situations in which the employee or authorized non-state individual, including volunteer, is on travel status.

AUTHORITY:

[OAM 291.015](#) Fiscal responsibilities of department; delegation of fiscal functions.

[OAM 293.590](#) Department to supervise state agency accounting; furnishing accounting services.

APPLICABILITY:

Client agencies assigned and/or contracting for accounting, budgeting, and financial reporting services with the State Controller's Division, DAS.

DEFINITIONS:

Meals are defined to include food and beverages provided at breakfast, lunch, or dinner to attendees of agency-sponsored functions.

Refreshments are defined to include beverages such as coffee, tea, bottled water, juice, soda, and similar liquid refreshments as well as sugar and creamer. Food items such as fruit, pastries, chips, cookies, cake, candy, etc., are also considered refreshments.

POLICY:

Agency management is responsible for establishing procedures to implement this policy. Individual agencies may adopt policies on meals and refreshments that are more restrictive than this policy, at the discretion of the agency.

GUIDELINES:

I. State Sponsored Meals and Refreshments

As noted in [OAM 10.40.00.PO](#), Internal Control – Expenditures. Employees authorized to obligate State funds are responsible to ensure the expenditure is appropriate and lawful. Public employees may be personally liable for obligations that are inappropriate or an improper use of State funds. As with any expenditure, Client Agency Heads and employees with delegated expenditure decision authority are responsible to determine the appropriateness of purchases and to ensure that sufficient documentation exists to support the expenditure. The purchase must serve the business needs of the agency, and authorization must be provided prior to obligation of funds. This policy is intended to provide guidelines to help decision-makers determine the prudence of purchasing non-travel meals and refreshments with State funds. The cost of non-travel meals and refreshments should be reasonable and not excessive.

II. Limitations and exclusions

State funds must not be used to provide non-travel business meals for:

- a. Regularly scheduled staff meetings.
- b. Business meetings where the majority of participants are state employees, except for legal proceedings such as a hearing, trial, deposition, or mediation. At the discretion of the agency, a meal may be provided when an employee is participating in legal proceedings and the meal is served during the course of the proceedings or the cost of the meal is incurred as a part of preparing a participant for ongoing legal proceedings.
- c. A meal may be provided to attendees when a business meeting includes a working business meal at which the attendance of participants is required, and the meal period is designated as a work session, which is documented in the meeting agenda. Business must be conducted during the meal period and a benefit to the State must be gained by providing the meal as part of the agenda rather than dismissing attendees to obtain a meal. For example, benefits may be gained in that providing a meal maintains continuity during training, promotes employee safety, or enables resumption of duties.

State funds must not be used to provide refreshments for:

- a. Regularly scheduled staff meetings.
- b. Office social events such as celebrating holidays or birthdays.
- c. Voluntary social events (either off-site or in the office) such as agency-sponsored retirement celebrations.
- d. State funds may not be used to purchase bottled water and/or water dispensers for offices, except when water has been officially tested and found to be unsafe for drinking purposes, or in cases of permanent or temporary water unavailability. In temporary situations, agencies should document the circumstances as justification for the need to purchase water.
- e. State funds may only be used to purchase alcoholic beverages if an agency has an appropriate business-related function. In addition, agencies that purchase alcoholic beverages for business-related functions must comply with Risk Management Policy 125-7-401 (see <http://risk.das.state.or.us/alcoholpo.htm>.)

- f. Alcoholic beverages listed above do not include alcoholic beverage products purchased for commercial distribution, such as operations of the Oregon Liquor Control Commission.

Purchase of Related Items

- a. Essential serving products such as paper plates, cups, and plastic utensils may be purchased with State funds, as long as the purpose or event meets the guidelines for purchasing meals or refreshments outlined in this policy.
- b. Other related items such as those listed below may not be purchased with State funds:
 - 1. Holiday decorations
 - 2. Indoor house plants or flower arrangements
 - 3. Retirement invitations, cards, gifts, and party favors
 - 4. Punch bowl sets or other specialty serving containers

Questionable or Inappropriate Purchases

If a questionable or inappropriate payment is made that does not comply with the guidelines outlined in this policy, agency management should take appropriate action, including obtaining reimbursement from the employee who authorized the purchase.

III. Use of Agency Funds for Refreshments

At the discretion of the agency, State funds may be used to provide refreshments for the purposes or events listed below.

- a. Business meetings with industry representatives or the public. This may include events such as task force, advisory board, or commission meetings.
- b. Business meetings involving state employees that are scheduled to last 4 hours or longer and cafeteria services are not reasonably available.
- c. Business meetings or training events when the majority of personnel attending are called in from field office locations outside the city where the meeting or training is taking place.
- d. Training events held for the purpose of instruction or dissemination of information to state employees and/or the general public.
- e. Staff retreats held for the purpose of the agency's work-related planning.
- f. Agency-sponsored employee recognition or volunteer recognition programs.
- g. When refreshments are included as a non-separable portion of the cost of renting a facility.
- h. As a gesture of appreciation to volunteers during or after work is performed.

IV. Documentation and Payment

When meals or refreshments are provided for a given event, the following record keeping should be used to account for the use of State funds:

- a. Written agenda for the meeting documenting that it was a working business meal.

- b. Written list of meeting attendees, including the number of state employees versus the number of non-state employees (in cases where personal identity is confidential or sensitive in nature, a number of attendees is sufficient; however, the number of state employees versus the number of non-state employees should still be indicated).
- c. An itemized invoice or receipt, including unit costs, from the vendor who provided the meals and refreshments.
- d. The written agenda and list of attendees (or number of participants) should be attached to the invoice for payment to vendors for meals and refreshments.

PROCEDURES:

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Client Agency Head	Careful review of the expenditure or obligation for appropriateness. Authorize purchase of meals and/or refreshments prior to event. Authorize payment of the expenditure with his/her signature
2.	Employee / Event Facilitator	Record the following documents and include with invoice for payment: written agenda for working business meals, list of meeting attendees (including non-state employees), itemized invoice (including unit costs), authorized signature for payment. Submit to Shared Client Services for payment.
3.	Shared Client Services	Review invoice & documentation from agency for validity. Verify authorizing signature for payment and accuracy of invoice and documentation before processing for payment. Issue payment to vendor/requester.