



UNIVERSITY *of* MARYLAND

# Food and Business Meals Expense: Policy and Procedures

Financial Services  
Saratoga Building  
Office Level 2

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# Contact

Maureen Clifton, Manager - Disbursements

Accounts Payable and Working Fund

x6-2931

[mclifton@af.umaryland.edu](mailto:mclifton@af.umaryland.edu)

# Resources

- Policy VIII-99.00 (A)

Food and Business Meals Expense:

<http://cf.umaryland.edu/umpolicies/usmpolicyinfo.cfm?polid=392>

- Financial Services Standard Operating Procedure No. 3332: Food and Business Meals Expense:

<http://www.fincsvc.umaryland.edu/images/FoodBusinessMealsExpense.pdf>

# Policy Highlights

- Purpose
  - Comply with Maryland General Accounting Division, IRS Accountable Plan, and OMB Circular A-21
- Defines
  - Business Meal
  - Food/Catering Services
  - Allowable and Unallowable Expenses
  - IRS Accountable Plan

## Policy Highlights Continued

- Assigns Responsibilities
  - Employees
  - Departments
  - Financial Services
  - NOTE: Department approvers reserve the right to reject all or part of the reimbursement request at their discretion.
  
- Required by State of Maryland General Accounting Division

# Procedure Highlights

- Maximum meal rates apply
- Meal periods and applicable rates are determined by Financial Services according to the submitted documentation

## Procedure Highlights Continued

- 3 Expense Categories:
  1. Business Meals- a meal with a clearly defined business purpose for UMB employees with non-UMB employees generally at a restaurant
    - paid with personal funds and reimbursed through the eTravel system
    - Use account #3773: Business Meals
    - P-card is not allowed

## Procedure Highlights Continued

### 2. Food Purchases – reimbursement for food and beverage purchases served on UMB property or at an off-campus location for a group of people

- P-card is preferred payment method
- Individual reimbursements only when P-card is not an option
- Individual reimbursements made through eTravel
- Reimbursements must be less than \$5,000
- Use Account # 3745: Food Reimbursements



## Procedure Highlights Continued

### 3. Catering Services – food and beverage purchases for a group of people paid directly to a vendor

- Events  $\geq$  \$5,000 must use purchase order (does not apply to purchases from the Campus Center food vendor)
- Events  $<$  \$5,000 can use P-card
- Events  $<$  \$5,000 where P-card cannot be used must use purchase order
- Use Account # 3746: Catering Services

# Approvals

- Person with fiscal authority required for all types of reimbursements

AND

- Employee's supervisor required for employee reimbursements

(Note: these are captured in the eTravel system process)

- Payments not processed through eTravel must include the Department Head's approval

# IRS Accountable Plan Requirements

- Substantiated with cost, date, name and address of the place, business purpose, attendees' names, titles, and affiliation

AND

- Submitted within 60 days of the event

# Required Documentation

- Food Services/Business Meal Approval (FSBMA) Form (or its equivalent)
- Itemized receipts (“no alcohol statement” is required if an itemized receipt is not available –see page 5 of procedures)
- Grant or contract authorization, if grant or contract funds are used
- Vendors must issue separate invoices for events that include the purchase of alcohol. (Note: Alcohol can only be paid for with nonUMB funds).

# Payment Methods

Method of payment → Category of expense ↓	eTravel System	Purchase Order	Campus Center	Working Fund	P-Card
Business Meal	✓				
Food Reimbursement	✓	✓ (PUR02)			✓
Catering Services		✓ (PUR01)	✓	✓	✓

Account Numbers	
3745	Food Reimbursements
3746	Catering Services
3773	Business Meals

# Payment Methods

- eTravel: approvals routed through the system
- Purchase Order: payments to vendors
  - Used when food purchases are combined with non-food items
  - Required for catering services  $\geq$  \$5,000
  - Used when catering services  $<$  \$5,000 cannot accept P-Card

## Payment Methods continued

- Campus Center: food service vendor in the Campus Center bills UMB directly
  - No purchase order is needed
  - UMB must be reimbursed from external funds for any unallowable expenses paid

## Payment Methods continued

- Working Fund: check payable to vendor
  - Only use when the vendor requires pre-payment and cannot accept P-Card
  - Invoices must be less than \$5,000
- P-Card: Invoices must be less than \$5,000

END