

BUSINESS MEALS REGULATION

I. INTRODUCTION

The City will pay for reasonable and necessary meals serving a legitimate business purpose of the City. This regulation provides guidance for employees and addresses different business meal scenarios. Employees are expected to be fiscally prudent when expending City funds spent for this purpose.

For the purpose of this regulation all recipients of meals are treated as employees.

Meals an employee eats while out of town on City business are governed by the Travel policy and related regulation.

II. ALLOWED BUSINESS MEALS

A. Meals provided by the City for its convenience to its employees. These meals must:

1. Be provided at the convenience of the City, meaning during working hours where the employee(s) cannot obtain a meal otherwise.
2. Be on the City's business premises.

B. Trade or Professional Association Meetings: Meal expenses directly related to and necessary for attending business meetings or conventions of certain exempt organizations are allowed. These organizations include chambers of commerce, business leagues and trade or professional associations.

C. Meals reimbursed/provided by the City where the main purpose is to conduct business and there is a clear business reason for incurring the expense. Meals can also be reimbursed/provided by the City directly before or after a business discussion or meeting.

D. De Minimis Meals: Meals are allowed where they are provided to City employees for occasional parties or picnics for employees and their guests or for authorized department reward or recognition events. Meals can also be provided to employees on an occasional basis to allow for the extension of an employee's work day.

III. DISALLOWED

Alcohol is specifically disallowed for payment or reimbursement with City funds.

Meals shall not be purchased in lieu of normal compensation.

Except as allowed in section II A through D, meals with other City colleagues in local restaurants are generally not reimbursable. Local meals with colleagues should be

considered a personal expense unless the business being conducted is such that it cannot be done on the City's premise.

IV. DOCUMENTATION AND PAYMENT PROCESS

Payment can be made with a p-card, petty cash reimbursement, or through accounts payable. A completed *Business Expense Form* must be completed and a detailed receipt must be attached.

- A. If payment is made through petty cash reimbursement or through accounts payable, the Business Expense Form and detailed receipt must be attached and submitted to Central Accounting with the payment request.
- B. If payment is made by p-card, the Business Expense Form must be attached to the detailed p-card receipts and kept within the department in accordance with the Purchasing Card Uses and Parameters Regulation.
- C. Payment requests must be submitted within 45 days to be eligible for reimbursement.

V. EXCEPTIONS

Meals or snacks provided to employees as part of a program for which the City is paid by the consumer are not considered business or group meals.

Federal Tax Source Citations:

- IRS Regulation 119-1 Meals or lodging furnished for the convenience of the employer
- IRS Regulation Section 1.132-6 Certain Fringe Benefits
- IRS Regulation Section 1.274-2(d)(3) Disallowance of certain entertainment expenses