

 DALHOUSIE UNIVERSITY Hospitality Expense Policy	Policy Sponsor: President	Approval Date: March 8, 2000
	Responsible Unit: Finance and Treasury Services	Revision: May 12, 2011 September 2022 April 1, 2024

A. Background & Purpose:

This policy is intended to facilitate the reimbursement of expenses for hospitality activities that are incurred in support of the University mission. The policy will enable the efficient reimbursement of allowable expenses and ensure transparency, accountability and compliance with accounting and reporting requirements under which the University operates.

As a publicly funded institution, Dalhousie University has a fiduciary responsibility to ensure that all funds entrusted to it are managed responsibly. Individuals incurring or approving expenses from University funds must ensure expenses are reasonable, reflect good judgement, due regard for economy and be defensible to an impartial observer.

B. Application:

This policy applies to all hospitality expenses to be reimbursed from any University account or fund.

In cases where external sponsors require more restrictive terms and conditions related to hospitality expenses, the more restrictive terms will apply.

This policy is to be applied in conjunction with all other University policies including but not limited to, the Travel Policy, the International Travel Policy, the Procurement Policy, the Alcohol Policy, and the Spending Authority for University Funds Policy.

C. Definitions:

In this policy:

1. **University Funds** are all resources available for spending through the University including Operating, Endowment, Capital, and Ancillary, Research and Special Purpose accounts.

2. **Claimant** is the employee requesting reimbursement for hospitality expenses according to this Policy. In some situations, the **Claimant** may also be the Unit Authority (see Unit Authority definition).
3. **Reporting Authority** is the individual at a reporting management level above that of the claimant. The reporting authority is often referred to as the “One-Up” approver. In some situations, the **Reporting Authority** may also be the Unit Authority (see Unit Authority definition).
4. **Unit Authority (or Spending Authority Delegate)** is the individual assigned or delegated responsibility for the budget or activities of a Faculty, or Major Service or Support Unit or Research, Special Purpose or Capital account as outlined in the Spending Authority for University Funds Policy. This individual authorizes charges against university accounts under their authority.
5. **Senior Leader** is a Dean, Associate Vice President, Assistant Vice President, Vice Provost, Vice President, Provost or President.
6. **Hospitality** is the provision of food and/or beverages, social or recreational activities, events and functions in support of the teaching and learning, research or service activities of the University. In this policy, hospitality includes the following categories:
 - a. **Business Entertainment**
An activity where a Dalhousie employee hosts or entertains non-employees for a specific University business purpose. Examples would include donor relations, alumni functions, employee recruitment, events to host visiting speakers, and meetings with business or industry representatives.
 - b. **Working Sessions and Meetings**
Gatherings of faculty or staff for a work-related purpose involving Dalhousie University faculty, staff, students, and/or external partners.
 - c. **Employee Functions**
Events organized where the primary purpose is for all employees in a Faculty or Unit to celebrate a significant occasion or in recognition of employee contributions. These may include celebrations of retirements or significant holidays, social or team-building events. Such events normally only involve Dalhousie faculty, staff or student employees.
 - d. **Special Events**
Significant institutional events that occur infrequently and are usually outside of the day-to-day activities of the University. Examples would include the celebration of an award recipient, convocations, a major donor reception/funding announcement, opening of a new building, or installation of a new President.

e. Employee Recognition Event

A one-time or infrequently occurring event where the primary purpose is to celebrate or recognize the contribution of an employee or team. Such events normally only involve a small group of Dalhousie faculty, staff or student employees.

D. Policy:

1. As a publicly funded institution, University hospitality expenditures should have a documented purpose that supports the University mission and be incurred in a cost-effective manner.
2. Hospitality expenses are eligible for reimbursement as follows:
 - a. The expenses are reasonable and appropriate for the teaching and learning, research, or service objective in support of the University mission.
 - b. Documentation supporting the expense must include:
 - i. Itemized receipts identifying the date, location and
 - ii. A description of the business purpose of the expense.
 - c. **Business Entertainment** expenses must meet the following requirements:
 - i. The host entertaining non-employees for business purposes must be:
 1. A Senior Leader (or other employee where written approval is provided by a Senior Leader.)
 2. An employee who as part of their job function is regularly required to entertain non-employees.
 - ii. Number of Dalhousie employees in attendance should be reasonable based on the nature of the relationship and number of the non-employees entertained.
 - iii. The documentation supporting the expense should include the names of all attendees and their relationship to the University.
 - d. Expenses for **Working Sessions and Meetings** must meet the following requirements:
 - i. Reasonable attempts should be made to avoid scheduling meetings over mealtimes. When unavoidable, and the meeting is two hours or longer, reasonable expenses are allowed as follows:
 1. Non-alcoholic refreshments and snacks.
 2. Depending on the time of day a light lunch or dinner.
 - ii. Alcohol is not an allowable expense.
 - iii. Such sessions will normally be held on campus but may be held off-campus where required for increased focus and efficiency.

- iv. The documentation supporting the claim must include the names of all attendees and their relationship to the University.
- e. Expenses for **Employee Functions** must meet the following requirements:
 - i. The invitation would normally extend to all employees within a Faculty or unit.
 - ii. Amount claimed may include the cost of food, beverages (excluding alcohol) or entertainment.
 - iii. Alcohol is not an allowable expense.
 - iv. Cost should be limited to a total of no more than \$50 per employee per fiscal year for all such functions.
- f. Expenses for **Special Events** must meet the following requirements:
 - i. All Special Events must be approved in advance by the President, Provost or a Vice President.
 - ii. The President, Provost or a Vice President (or a Senior Leader they designate) is accountable for all decisions in relation to the event including:
 - 1. Consideration of the responsible use of public funds including an assessment of the:
 - i. reasonableness of the number of attendees,
 - ii. appropriateness of serving alcohol at the event and
 - iii. reasonableness of the quantity and cost of both food and alcohol allowances per person.
 - 2. Acting as a host for the event, accountable for the care and well-being of all in attendance.
 - iii. Support for the claim must include documentation:
 - 1. of event approval as described above in sections 1 and 2.
 - 2. the nature and number of attendees, including the number of Dalhousie employees in attendance.
- g. Expenses for **Employee Recognition Events** must meet the following requirements:
 - i. All Employee Recognition Events must be approved in advance by a Senior Leader and the Reporting Authority.
 - ii. Alcohol is not an allowable expense
 - iii. Amount claimed may include the cost of food and beverages (excluding alcohol)
 - iv. Support for the claim must include the following documentation:
 - 1. Pre-approval by a Senior Leader and the Reporting Authority.
 - 2. Description of purpose of event, event details including number of attendees

3. The Claimant, Unit Authority and Reporting Authority have the primary responsibility of ensuring claims comply with this policy. Financial Services performs a secondary risk-based review on certain claims to ensure expenses are eligible for reimbursement.
4. The University will reimburse hospitality expenses incurred by a claimant where:
 - a. The expense is claimed by the most senior member in attendance from the University to ensure appropriate “one-up” approval of expenses.
 - b. The claimant ensures that:
 - i. all expenses claimed are eligible for reimbursement according to the requirements in clause 2.
 - ii. when funded by a research grant or contract, the expense relates directly to the principal investigator’s area of research.
 - iii. any personal expenses have been excluded from the claim.
 - iv. the expenses are not claimed for reimbursement against other University funds or from another organization.
 - v. all approvals required by University policy have been obtained.
 - c. The Reporting Authority reviews the claim and certifies that:
 - i. the expenses are reasonable and appropriate for the teaching and learning, research or service objective.
 - ii. when funded by a research grant or contract, the expense relates directly to the faculty member’s area of research.
 - d. The Unit Authority (or Spending Authority Delegate) has reviewed the claim and:
 - i. certifies that all expenses claimed are eligible for reimbursement according to the requirements in clause 2.
 - ii. authorizes the charge against the account according to the Spending Authority Policy.
 - iii. when expenditures are funded by a research grant or contract, certifies that the expense relates directly to the research objectives for the grant or contract.
5. Hospitality expenses can be paid by invoice, when due to the total size and cost of the event, it is unreasonable for an employee to incur the cost and request reimbursement. In such cases, all requirements of this policy remain in place.
6. In instances where gratuities are appropriate and are not included in the receipt or invoice, a gratuity rate of 15-18% is considered reasonable and will be accepted for reimbursement by the University.
7. This policy and its procedures have university-wide application; however, individual Faculties and departments may implement additional policies or procedures which are more restrictive than this policy.

8. Certain hospitality related expenses would not normally be reimbursable where there is significant personal benefit derived by the claimant. These include but are not limited to:
 - a. Personal membership to a private club.
 - b. Memberships that are primarily of a social nature, without an authorized business purpose.
 - c. Expenses related to accompanying companion(s) without an authorized business purpose or approval.
 - d. Social events or tickets to sporting or arts events without a business purpose.

E. Administrative Structure

1. **Authority:** This policy falls under the authority of the President.
2. **Policy Administration:** This policy, procedures and the related protocols are administered by Financial Services.

F. Procedures:

1. All university hospitality related expenditures must be made through the processes and protocols established and published by Financial Services under the authority of this policy.
2. Financial Services will facilitate the application of the policy and support payment of expenses by:
 - a. Developing appropriate systems and processes.
 - b. Responding to inquiries on the interpretation of policy.
 - c. Reviewing claims for reimbursement to ensure compliance with policy.
 - i. To facilitate timely reimbursement to the claimant this review may occur after payment.
 - ii. If a subsequent review determines there was an overpayment based on necessary adjustments to the claim, this could result in a requirement for repayment by the claimant.
3. University Employees will:
 - a. Ensure all policy and procedures requirements are met **before** committing to expenditures.
 - b. Include all supporting documentation with a reimbursement claim including itemized receipts with proof of payment. A copy of credit card statement will be required if proof is not on the receipt.
 - c. When costs are to be paid by invoice, submit the approved invoice to Financial Services for payment..
 - d. Submit claims or invoices within 30 days of the meeting or event, unless total claim is less than \$100. In the case where the claim is less than \$100, the claimant may elect to hold the claim until such time they accumulate to \$100 or March 31 (fiscal year end) whichever comes first.

4. Claims by the President or members of the Board of Governors:

For hospitality claims from the President or members of the Board of Governors, the Chair of the Board of Governors is the Reporting Authority and must review and approve all claims. Hospitality claims from the Chair of the Board of Governors must be reviewed and approved by the Chair of the Finance, Audit, Investment and Risk Committee.

5. Exceptions

- a. Exceptions to the Policy, including those related to specific cultural practices, are at the discretion of the President, Provost or a Vice President, for reasonableness in the circumstances. Written approval and supporting documentation must accompany the claim or invoice.