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Hospitality, Working Sessions/Committee Meetings and University Employee Functions Procedure

Office of Administrative Responsibility:	Office of the Vice-President (Finance and Administration)
Approver:	Vice-President (Finance and Administration)
Scope:	Compliance with this university procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

Contact for questions about this procedure:	Senior Administrative Officer Vice President (Finance & Administration) 780-492-3540
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Overview

This procedure provides a framework of accountability to ensure the effective oversight of University funds in the payment of expenditures for food, beverages and other related costs for hospitality, working sessions/meetings and University **employee** functions. It is important for units to accurately identify the nature of a function or event in order to comply with any spending restrictions and legislative (Canada Revenue Agency) requirements. In addition, the University has adopted the practice of publicly disclosing executive hospitality and working session/meeting expenses as per the Government of Alberta public disclosure of expenses. The University has developed the following definitions to align with the Government of Alberta disclosure requirements and Canada Revenue Agency restrictions on employee benefits:

- Hospitality events are those for which the primary purpose is to host (entertain) non-employees as a matter of courtesy or to facilitate university business, to the extent that such expenses are not recovered from the attendees, such as donors, business, industry or public representatives, prospective employees and visiting speakers. The serving of alcohol is permitted. For hospitality events held on premises owned, leased or controlled by the University, the serving of alcohol must be conducted in accordance with the *Alcohol Policy*.
- Working sessions/committee meetings include events at which primarily University employees gather within a work setting including workshops, planning or training sessions and committee meetings and for which expenditure for food and beverage is necessarily incurred. Alcohol is not permitted at working sessions/meetings. Two employees meeting over the lunch or dinner hour is not considered a working session or committee meeting and any food or beverage expenses are not eligible for reimbursement.
- University employee functions are those events for which the primary purpose is to enable all University employees, or all employees within a University unit, to celebrate a significant occasion or to receive recognition for their contributions. Alcohol is not permitted at University employee functions except on a cash bar or externally or personally sponsored basis.

For most units, expenditures for hospitality, working sessions/committee meetings and University employee functions are expected to be minimal. Although limits on expenditures for these events are stated within this procedure, units are not precluded from implementing more restrictive internal limits where appropriate.

Purpose

The purpose of this procedure is to ensure that expenditures for hospitality, working sessions, meetings and University functions:

- are managed in a cost effective manner;
- have a clear business purpose which supports the institutional mission;
- are compliant with external regulations; and
- are identified in a consistent manner that facilitates public disclosure, where applicable

Where the funding source is externally restricted (e.g. by a donor or sponsor), any specific conditions that are more restrictive than those stated in this procedure are applicable.

PROCEDURE

1. HOSPITALITY

Hospitality events are those for which the primary purpose is to host (entertain) non-employees who are not engaged in work for the University such as donors, prospective employees and visiting speakers. Some University employees would also attend such events as hosts.

The following expenditure limitations/requirements are applicable to hospitality expenditures:

- a. Alcohol, to a maximum of \$25 per person per event (calculated prior to adding gratuity and taxes), may be charged against eligible sources of University funding.
- b. The most senior person in attendance from the hosting unit is to pay/claim the expenses.
- c. For subsequent review, monitoring and audit purposes, supporting documentation must include the names of all attendees, the purpose and date of the event and the total cost per person.
- d. Any gratuity that does not exceed 18% (calculated after tax is applied) is eligible for payment or reimbursement.
- e. Expenditures must be charged to account code 502167 (Hospitality).

2. WORKING SESSIONS/COMMITTEE MEETINGS

Working sessions/committee meetings include events at which primarily University employees gather within a work setting including workshops, retreats, planning or training sessions and committee meetings and for which expenditure for food and beverage is necessarily incurred. Non-employees (e.g. consultant, facilitator) may also be in attendance. Two employees meeting over the lunch or dinner hour is not considered a working session or committee meeting. In this instance, food and beverage expenses are not eligible for reimbursement.

Expenses under this category should be kept to a minimum and on-site venues should be booked except in those cases where off-site venues are deemed reasonable and appropriate.

The following expenditure limitations/requirements are applicable to working sessions/meetings:

- Alcohol is not permitted.
- The most senior person in attendance from the hosting unit is to pay/claim the expenses.
- For subsequent review, monitoring and audit purposes, supporting documentation must include the names of attendees, purpose and date of the event and total cost per person.
- Expenditures must be charged to account code 502168 (Working Sessions/Meetings) or 502170 (President and Vice-Presidents only).

3. UNIVERSITY EMPLOYEE FUNCTIONS

University employee functions are those events for which the primary purpose is to enable all University employees, or all employees within a University unit, to celebrate a significant occasion or to receive recognition for their contributions.

- a. University-wide employee functions are those functions generally available to all University employees free of charge and sponsored by central offices such as the office of the President or a Vice-President. Examples include retirement and long service functions, the annual staff appreciation picnic and the Celebration of Teaching & Learning.

The following expenditure limitations/requirements are applicable to University-wide employee functions:

- Alcohol is not permitted except on a cash bar or sponsored basis. The amount of expenditure to be incurred is at the discretion of the office sponsoring the function, up to the maximum noted in 3.b.
- For subsequent review, monitoring and audit purposes, supporting documentation must include the approximate number of employees included in the invitation, the purpose and the date of the event
- Expenditures for university-wide employee functions must be charged to account code 502169 (University Employee Functions).

- b. Unit employee functions are those functions to which employees within a specific unit are invited free of charge or at a reduced cost. Examples include barbecues/picnics, Christmas parties, recognition of a long-serving employee's retirement, recognition of a work-related achievement such as attainment of a professional designation and recognition of an academic achievement such as a peer award or research award. Non-employees may also be in attendance.

Units must consider the business purpose, frequency and cost to the University of employee functions, and may use their discretion to set lower expenditure thresholds or to ask employees to pay a portion of the cost.

The following expenditure limitations/requirements are applicable to unit employee functions:

- Alcohol is not permitted except on a cash bar or sponsored basis.
- In accordance with Canada Revenue Agency (CRA) policy, in order to avoid conferring **taxable benefits** on employees, all of the unit's employees must be invited to a unit employee function. The cost per attendee per event (including meals, beverages, taxes, tips and entertainment) cannot exceed \$50. All other costs (including, but not limited to, transportation overnight accommodation, facility rental and/or insurance) do not need to be calculated in the \$50 limit.
- The most senior person in attendance from the hosting unit is to pay/claim the expenses.
- For subsequent review, monitoring and audit purposes, supporting documentation must include the names of attendees, purpose and date of the event and total cost per person. Where it is impractical to include the names of all attendees (e.g. the unit is very large and employees are invited to attend on a drop-in basis), the approximate number of attendees may be documented.

- Expenditures for unit employee functions must be charged to account code 502169 (University Employee Functions).

For University employee functions, alcohol may be provided if:

- the entire cost of the alcohol is paid directly to the caterer/restaurant by a sponsor (e.g. department chair pays personally); or
- a cash bar service is provided and employees buy their own alcohol

4. SUMMARY OF ALLOWED EXPENDITURES

The following table summarizes allowed expenditures for hospitality, working sessions/meetings and University employee functions and provides examples of each type of event/function in order to assist units with identifying the appropriate category and requirements. Where a specific example is not illustrated below, the unit should determine the appropriate categorization based on the primary purpose of the event/function.

Purpose & Account Code	Primary Purpose	Examples	Restrictions/disallowed expenses	Required documentation
Hospitality (Account 502167)	<ul style="list-style-type: none"> - to host (entertain) non-employees who are not engaged in work for the university as a matter of courtesy or to facilitate university business, to the extent that such expenses are not recovered from the attendees - some University employees would also be in attendance as host(s) 	<ul style="list-style-type: none"> - donor relations - fundraising - employee recruitment - meetings with business, industry or public representatives - events to host visiting speakers - graduation dinner that is free of charge or subsidized 	Cost of alcoholic beverages cannot exceed \$25 per person per event.	<ul style="list-style-type: none"> - names of attendees - purpose of event - date of event - cost of alcohol/person
Work Sessions/Committee Meetings (Account 502168; Pres&VPs only - Account 502170)	<ul style="list-style-type: none"> - events at which primarily University employees gather within a work setting - meeting with a non-employee(s) who is currently engaged in work for the University 	<ul style="list-style-type: none"> - workshops - retreats - planning or training sessions - committee meetings (a group of people formally delegated to perform a function) - an employee meeting with a consultant or contractor who is currently engaged in work for the university 	<p>No alcohol.</p> <p>Two employees meeting over the lunch or dinner hour is not considered a working session or committee meeting and any food or beverage expenses are not eligible for reimbursement.</p>	<ul style="list-style-type: none"> - names of attendees - purpose of event - date of event - total cost/person

University-Wide Employee Functions (Account 502169)	<ul style="list-style-type: none"> - to enable all University employees to celebrate a significant occasion or to receive recognition for their contributions - arranged by central offices such as the office of the President or a Vice-President 	<ul style="list-style-type: none"> - retirement function - long service function - annual staff appreciation picnic - Celebration of Teaching & Learning 	No alcohol unless: <ul style="list-style-type: none"> - paid for directly by a sponsor (e.g. department chair pays personally); or - paid for by employee through a cash bar 	<ul style="list-style-type: none"> - approximate number of employees invited to the event - purpose of event - date of event
Unit Employee Functions (Account 502169)	<ul style="list-style-type: none"> - to enable all employees within a University unit to celebrate a significant occasion or to receive recognition for their contributions 	<ul style="list-style-type: none"> - Christmas party/lunch - BBQ/picnic - retirement reception - celebratory event held by unit for employee receiving professional designation or academic achievement such as peer/research award 	Maximum cost/person of food, beverages and entertainment is \$50/event. Units may set lower thresholds. No alcohol unless: <ul style="list-style-type: none"> - paid for directly by a sponsor (e.g. department chair pays personally); or - paid for by employee through a cash bar 	<ul style="list-style-type: none"> - names of attendees (or number where documentation of names is impractical) - purpose of event - date of event - total cost/person

DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [[▲Top](#)]

Employee	A person defined as a member of the Association of Academic Staff of the University of Alberta (AASUA), Non-Academic Staff Association (NASA) or Excluded Staff groups and defined as an Academic, Support or Excluded staff member in Appendix A and Appendix B of the <i>Recruitment Policy</i> . Note: Therefore, a student may be either an employee or non-employee.
Non-Employee	A person who is not defined as an Academic, Support or Excluded staff member of the University of Alberta including, but not limited to, visitors, volunteers, prospective candidates, postdoctoral fellows, academic colleagues, contractors, and students. Note: Therefore, a student may either be an employee or non-employee.
Taxable benefits	Taxable benefits are non-cash benefits provided to employees by the employer in respect of, in the course of, or by virtue of the employment. In general, the <i>Income Tax Act</i> deems the value of the benefits of any kind received by employees to be taxable, subject to a few exceptions.

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