

## **Providing Food and Beverages from University Funds**

### **University policies and procedures that are relevant:**

- As a state institution we must follow both university and State of NJ rules.
- All monies that we control - whether they result from tuition, donors, state allocation, grants, or other - are university funds for which we have fiduciary responsibility, for which we may be audited, and for which misuse can result in penalties.
- Grant funds are the most restricted because we have to follow the rules not only of the university and the state but also of the funder, and some funders have different rules from ours.
- It is true that there can be more flexibility with gift and some other non-state accounts than there is with tuition/state accounts – specifically when it comes to out-of-state travel and alcohol – but for the most part the same rules apply to all funds.
- The basic standard for all spending – whether it is spent through a purchase order or a TABER - is that there must be a necessary, reasonable, and appropriate business reason for paying for something with university funds. When we purchase with a PO, there is a requester, an approver, and a purchasing agent who review the purchase before it is made; the university prefers the PO process because it allows for review before funds are expended. With a TABER there is a requester who expends funds, and then needs an approver and purchasing agent to review the expense after the fact.
  - "Necessary" means "that the expenditure is required to achieve the expected goals or outcomes of the program, project, or task."
  - "Reasonable" means that "the cost ... is not excessive."
  - "Appropriate" means "that the expenditure is consistent with the objectives of the program, project, or task."

### **Issues about food:**

- Food is not considered an integral part of the regular daily business requirement of employees of the university. In other words, Rutgers does not pay for employee meals during a normal business day.
- Food can be paid for by university funds when it is an integral part of a special business activity, when it is necessary, reasonable, and appropriate in meeting organizational goals, not as a matter of convenience to an individual or group of individuals. (In other words, working late is not a reason for the university to pay for your meal.) The one exception to this is that the university will cover expenditures on daily food within reason when someone is away from home because they are traveling for work. But the travel must have a clearly defined business purpose.
- The benefit to the university that is derived from incurring an expense for food should be "the most effective, efficient, and productive way to use university resources."

## **Some general guidelines:**

- To assess whether it is reasonable for university funds to pay for food at an event, start with these four questions:
  - What is the business purpose of the event? The event as a whole should have a purpose that justifies university support.
  - Who will be in attendance and what is their affiliation? If the event is attended exclusively by SC&I employees, it is hard to justify an expenditure on a meal or significant food since the university does not pay for daily food for employees.
  - Why does the event require that food be served? Even if there are outside attendees, what is the business purpose of the food?
  - Can the event be held at a time of day when refreshments are not needed, or when lighter refreshments are possible rather than a full meal?
- When there is a gathering that is completely or primarily SC&I employees and the event is held at mealtime, the expectation is for people to brown-bag.
- When outside speakers are presenting to a SC&I-only audience, it can be reasonable to provide very light refreshments for all, and then for the host(s) to take the speaker to lunch.
- When people are taking a guest speaker or faculty candidate out for a meal that will be paid by the school, it is reasonable to expect a limit of about three or four people to go out with the individual.
- The SC&I Alcohol policy applies to all meals and events. Note that many of our peers have more stringent alcohol policies than we do.
- When there are truly special internal events that happen rarely – once a year or so – it can be reasonable to provide a meal.
- When possible, it is always better to purchase food (or anything) through a purchase order rather than a TABER.

## **A note about our relationship to Purchasing and Disbursement Control:**

- The business staff have two objectives that sometimes conflict: to advocate for SC&I with university offices, and to assure compliance by SC&I of all university policies and procedures.
- Sometimes people think we should "just put it through" and see if the university's central office will accept a given questionable purchase or expense. Of course it would be great for us not to be "the bad guy." The reason we are not often willing to do this if we believe an expense cannot be justified is that it reduces our credibility with Purchasing and Disbursement, and that then limits our ability to advocate for SC&I personnel when we need to ask for a rush for someone, when we need to advocate for a particular transaction for someone, or when we need a favor for something really important.
- Purchasing and Disbursement regularly question us about transactions. There is no rubber stamping of purchases we submit.