

Faculty Entertainment Expenses Information Sheet

Additional Information can be found on the CNS website: [CNS Business Services](#)

What is the limit for entertainment expenses?

Expenditures of University of Texas at Austin funds for entertainment should support the institutional mission and must serve a business purpose. **The entertainment limit is an average of \$75 per person including food, alcohol, tax, and gratuity.** The cost should be appropriate for the type of meal or event, and this limit applies to all venues including restaurant expenses and entertainment at a private residence. For entertainment or official occasion expenses, **gratuities should not exceed 20 percent of the bill subtotal before sales tax.** Expenses for alcohol may not be the primary expenditure, that is, greater than the total food expense.

Meal Limits:

Breakfast	\$30/person
Lunch	\$40/person
Snack	\$20/person
Dinner/Reception	\$75/person

Total for the day= \$30 + \$40 + \$20 + \$75 = \$165

How do I get reimbursed for meal expenses?

Faculty, Students and Staff requesting a reimbursement for entertainment expenses related to SDS activities, including the SDS Seminar Series, or travel expenses with a pre-approved RTA/OOEF are required to complete the SDS Reimbursement Request Form and provide all necessary receipts within 14 days of the official event for processing. For meals, please be sure to include the itemized meal receipt. Due to Internal Revenue Service (IRS) regulations and Safe Harbor rules, employees who request reimbursement of expenses that were incurred more than 60 days ago are required to submit with their request for reimbursement a written statement explaining the reasons for the delay. Late reimbursement requests will also require additional levels of approval and may be disallowed entirely or reported as taxable income to the payee. Visitors hosted by the department and approved for reimbursement for travel related expenses may request reimbursement by completing the SDS Reimbursement Request Form within 30 days of the official event.

What are the rules about alcohol?

Expenses for alcohol may not be the primary expenditure submitted for reimbursement, that is, greater than the total food expense.

When recruiting faculty, how many people can attend a meal?

For an entertainment expense to be allowed, all those attending must serve a bona fide business purpose. This purpose must be documented on the Official Occasion Expense Form. Attendees at faculty meals should be limited to the number who can reasonably interact with the faculty candidate and should generally not exceed 6 attendees. Companion expenses are generally not reimbursed unless they are for receptions, development, distinguished visitors/lecturers, or recruitment purposes. In order to justify a bona fide business purpose, expenses for a university host's companion are usually reimbursed only if the guest also brings a companion.

What are the types of Entertainment Expenses that are reimbursable?

- **Official Occasion:** An "official occasion" is defined as a reception, luncheon, dinner, or similar event that is sponsored and funded by The University of Texas at Austin and is often hosted by an administrative officer. These functions are normally associated with special programs, university guests, faculty, and staff recruitment.
- **Administrative/Business Meetings:** Administrative/Business meetings generally involve two or more people, must include a university employee, are agenda driven, and directly concern university business.