

## Meals and Refreshments on Grants (Food Costs)

Procedure # :600.232

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### 1.0 Introduction

- A. Principal investigators (PI) may want to pay for meal or refreshments from grant funds. In general, federal grant funds should not be used to pay for meals and refreshments. The College has other funds available that can fund refreshments for meetings. In the rare circumstances when other funds may not be available, the PI may order refreshments or pay for a meals and charge them to grant funds. The PI must document why he needed to have the grant pay for the meal. Departments will automatically assume responsibility for the costs of grant meals should, upon audit, it be determined that the meal costs were inappropriate for the grant. Documentation should be prepared before the food is ordered.

### 2. Procedure

- A. Whenever a PI determines that food is necessary for a meeting, he needs to contact the college's food service provider for the arrangements, and at the same time, prepare documentation to support the food costs to the grant.
- B. The following guidance is key when deciding to charge refreshments or meals to a grant:
  - The event must follow the college's regular food and entertainment guidelines. For example meals and refreshments that do not involve outside personnel or are not across departmental lines are prohibited, unless from gift funds. See the Board approved "Events and Entertainment" policy. In addition:
  - Business meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost and is unallowable. A formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.
  - The meeting must be necessary to carry out the final objective of the project. Such meal time meetings should be infrequent. It may be that the only time to get all of the participants of the project together is to schedule a meeting or conference which may involve lunch as long it is a working lunch. For example, meeting every Friday, and ordering donuts for a morning meeting are not allowable because those donuts are not necessary too carry out the final objective of the grant. Lunch meetings are more involved.

- The fewer meals there are, the better off the principal investigator is from triggering a red flag. As long as the principal investigator can justify that the lunch meetings are necessary to carry out the final objective of the project, they are permissible. Justification can be through an agenda and taking notes of what was discussed.

C. Principal Investigators are responsible for documenting the reason why meals and refreshments are being charged to a grant. A memorandum providing such documentation should be prepared in advance and sent to the grant accountant, so once the food service charge appears, it can be processed. The memorandum should specifically address:

- The circumstances surrounding the event and why the decision was made to provide food; and if a meal is ordered, why the meeting had to be scheduled over a meal time period.
- A copy of the meeting agenda or notes concerning the meeting should be attached.
- The names of the participants should be included

Failure to adequately document food and meal charges will result in the charge being posted to the departmental gift account, from which food charges, no matter how frequent, are permissible, provided there is a business purpose.