

STATE OF VERMONT DEPARTMENT OF FINANCE & MANAGEMENT			
Policy Title:	Department Provided Food and Refreshments	Policy #: Issue Date:	4.0 May 2008
Applicable to:	All State Agencies, Departments, and Offices	Revision #: Rev. Date:	N/A N/A
Issued by:	James Reardon, Commissioner Department of Finance & Management	Page:	1 of 3

A. Policy Statement:

The use of state funds to provide food and refreshments at a department's business functions is generally prohibited and strongly discouraged. However, recognizing that missions and objectives vary from department to department, some discretion is left to departments, but any decision to provide food and refreshments requires the approval of the department head.

B. Definitions:

- **Business Functions:** Refers to meetings, training sessions, conferences, or other department-sponsored functions to conduct official state business.
- **Food and Refreshments:** Refers to non-alcoholic beverages such as: coffee, tea, juice, soda, bottled water, etc. and food items such as: fruit, pastries, sandwiches, cookies, etc., and may include the providing of meals to attendees.
- **State Funds:** Any and all funds authorized by the State Legislature to include all governmental funds (*e.g. general, transportation, special, federal, petty cash*), proprietary funds (*e.g. enterprise, internal service*), and fiduciary funds (*e.g. trust, agency*).
- **Department Head:** Refers to agency secretaries, department commissioners or elected officials and their deputies, and heads of divisions, boards, and commissions not reporting to a department commissioner, or agency secretary.

C. Applicability:

This policy **does not** establish guidelines under which departments are required or expected to provide food or refreshments for any of its activities or functions; nor is it intended to supersede more restrictive policies adopted by departments or other applicable state or federal regulations.

This policy is not intended to be applied to, or otherwise restrict, marketing programs, activities, or functions of departments whose missions include the promotion of the State of Vermont, Vermont businesses, or Vermont agricultural products.

This policy does not apply to meals or expenses incurred by individual employees while in a travel status; travel-related expenses are addressed under the Agency of Administration's [Bulletin #3.4: Travel-Related Expenses](#).

D. Approval:

Any decision to provide food and refreshments must be approved in advance (*notwithstanding emergency situations*) by the **department head** prior to the obligation of funds. Department heads may grant an on-going authorization for recurring events (*e.g. board meetings*) provided the authorization is re-established, at a minimum, whenever there is a change in the department head.

Departments are expected to maintain procedures and controls to ensure food and refreshment expenses are incurred only when authorized and in conformance with the intent of this policy.

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Department management should take appropriate action for any unauthorized or inappropriate purchase, which may include obtaining reimbursement from the employee who incurred the expense.

E. Justification:

The providing of food and refreshments must serve the objectives of the department, promote the efficient conduct of business and be for the convenience of the department. Department heads are accountable for their decisions to provide food and refreshments; decisions on whether to provide food and refreshments should be made from a conservative, *rather than lenient*, basis. This guidance is not a substitute for sound and prudent business judgment. Departments should take into consideration:

- o The duration of the event, the number of attendees, whether the majority of attendees are State employees or members of the public, whether the majority of attendees are from the same locale as the event, proximity to available food services (e.g. cafeteria, restaurant, etc.) and whether attendees could be expected to obtain food or refreshments on their own within a reasonable time period.
- o Benefits to the department...e.g. allows business to continue during the break/meal period, maintains continuity of the event, promotes safety, enables a more expeditious resumption of duties by attendees, etc.
- o A higher standard of justification is required for providing meals at an event; a substantial business reason must exist. Any meal provided must comply with the IRS guideline of being for the convenience of the employer.

F. Payment:

All payments for department provided food and refreshment expenses must be processed through the VISION Accounts Payable system. Payments may be processed as a direct payment to the vendor (*preferred method of payment*), as an employee reimbursement - paid through VISION Accounts Payable (*method highly discouraged*), or as replenishment of a petty cash fund (*see note below*). Reimbursement of non-travel food and refreshment expenses **cannot** be submitted to the Payroll Division on an employee's *Reimbursement of Travel Expense* form.

Note: The use of petty cash funds is allowable provided (1) the other conditions of this policy are adhered to and (2) it does not conflict with the requirements of [VISION Procedure #5: Petty Cash](#) (re: Section I - Restrictions on Use).

G. Documentation:

Adequate documentation must be retained to support the transaction, to include an itemized invoice or receipt, list of attendees (*where practical*), business reason for the event, etc. Evidence of the department head's prior approval or authorization to incur the expense should be retained with the transaction.

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H. Cost Guidelines:

Effective cost control is a responsibility of management; all purchases must be ordinary and reasonable (i.e. *prudent-person test*). On a per person basis, food and refreshment expenses should be nominal and not excessive; any department provided meals should be generally in accordance with allowable costs under state travel regulations.

I. Examples

Following are examples of *generally* acceptable and inappropriate situations for providing food and refreshments at department-sponsored events. These examples are not intended to be all-encompassing nor absolute in their application; as previously indicated, these examples do not establish any precedent for which a department is required to provide food or refreshments.

Acceptable

- Meetings with industry representatives or members of the public (e.g. board, task force, advisory board, or commission meetings).
- Department-sponsored recognition events where the purpose is to recognize the work-related accomplishments of its employees, volunteers, or other business partners.
- Meetings (*of a sufficient duration*) where a significant number of participants are attending from a location outside the city/town where the meeting is taking place.
- Staff retreats held for the purpose of the department's strategic planning.
- Department-sponsored events where the public is invited (e.g. informational meetings, conferences, ground-breaking ceremonies for public facilities, dedications of buildings, land, or artwork, ceremonial dinners, etc.).
- Emergency situations...where departments are required to keep critical staff on-duty, *beyond routine work schedules*, to continue mission critical operations of the department.

Inappropriate

- Regularly scheduled staff meetings.
- Routine business meetings of state employees.
- Voluntary department social events, either off-site or in the office, such as holiday, birthday, or retirement celebrations (refer to [F&M Policy #3: Personal Greetings & Acknowledgements](#)).
- Intentional scheduling of events around a mealtime solely as an attempt to justify the providing of food or meals.

J. Effective Date:

Immediately.