
YOUNGSTOWN STATE UNIVERSITY
Business-Related and Entertainment (BRE) Expense Guidelines
(Revised 8/6/2018)

Introduction

Business-related and entertainment (BRE) expenses (account code 701330) are defined as reasonable food, beverage, and entertainment costs associated with the conduct of business. As a public institution, the University must ensure that all expense decisions are consistent with the University's mission, applicable laws, and ethical practices. **It is the responsibility of Financial Managers to ensure compliance with these guidelines.** All BRE expenses are subject to further review and non-compliance reporting. The University assumes no obligation for any expense incurred without following these guidelines. Employees who fail to follow these guidelines may be subject to personal financial liability and may be required to reimburse the University with personal funds.

These guidelines are intended to provide direction to employees with regard to the manner and extent to which the University may expend funds for the purposes of entertainment and hospitality. They are not intended to address every possible scenario. Exceptions may be granted if a clear benefit to the University can be demonstrated. Exceptions should be approved by the Vice President for Finance and Business Operations, or designee, in advance of the expense. A completed BRE Exception Form, which can be found on the [Procurement Forms](#) web page, should accompany the document that is reimbursing the employee or paying the expense. Previously granted exceptions will not establish precedents.

Limitations

- **IRS Regulations** – Under IRS regulations, certain employee business-related and entertainment expenses MAY be considered taxable income to the employee. The University will not pay or reimburse for amounts that could be considered a taxable benefit to the employee. An employer's reimbursement or payment of these expenses will not be considered taxable income to the employee if the expense:
 - has a clear business purpose, rather than a personal or social purpose,
 - is directly related to the employee's position,
 - can be substantiated with supporting documentation, and
 - is not lavish or extravagant under the circumstances.
- **Spouses** – Meal and entertainment expenses of a spouse, partner, or guest of an employee, will not be paid or reimbursed unless the spouse, partner, or guest is an integral part of the event with a clearly demonstrated business purpose, not a social purpose. It is acceptable for the employee to be accompanied by a spouse, partner, or guest to formal weekend and evening events, when it is customary for the event to include spouses.
- **Alcoholic Beverages** – Alcoholic beverages must not be charged to General or Auxiliary funds.
- **Food Service** – The University has a service contract with Chartwells Dining Services for all catering services which are held in campus buildings. All catered events purchased with University funds exceeding \$100 must use Chartwells. Excluded per the contract, are events held in Stambaugh Stadium Debartolo Club, Stambaugh Stadium Loges, and Pollock House. The Vice President for Finance & Business Operations, or designee, may authorize exceptions in advance of the expense.
- **Catered and Non-Catered Meal Costs** – Meal costs are limited to \$10 for breakfast, \$15 for lunch, and \$30 for dinner. For non-catered meals, this includes tax and tip. Exceptions are for events of a development & fundraising nature and food subsidized by conference fees.
- **Events** – Meal and entertainment costs greater than \$5,000 per event require documented pre-approval from the appropriate area division officer.
- **Gift Cards** – Gift cards are equivalent to cash. For internal control purposes, special instructions exist and pre-approval is required. Please use the Gift Cards - Request for Pre-approval form, which can be found on the [Procurement Forms](#) web page.
- **Personal Benefit** – If an employee receives a personal benefit greater than the business benefit received for the University, the employee is required to reimburse the University for the value of that personal benefit.

Important Notes

- All expenses must be documented using the BRE Form, which can be found on the [Procurement Forms](#) web page.
- All expense documentation must be submitted timely, in order to ensure payment or reimbursement, and compliance with the Ohio Revised Code (payment must be made within 30 days of invoice date).
- Documentation must be sufficient so that a reviewer can clearly identify the benefit to the University.
- Past practice does **not** define or justify current or future practice.
- Entertaining may include the cost of tickets to a performance or event, as well as food and beverages.
- Other incidental costs directly related to an event may be charged to the BRE expense account code 701330, except for rentals, see below.
- For purposes of these guidelines the following are not considered BRE expenses:
 - Recruiting Job Candidates – use account code 701325 (See Human Resources: [Hiring Procedures](#))
 - Student Recruitment (Athletics) – use account code 701315
 - Rental of Facilities – use account code 701510
 - Rentals Non Facilities – use account code 701941
 - Sponsorship Expense – use account code 701948
 - Awards – use account code 701916

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Types of Funds

- **General and Auxiliary Operating Funds** – funds provided to the University primarily through student tuition and fees, and taxpayer supported State Share of Instruction (11XXXX and 3XXXXX funds).
- **Unrestricted Discretionary Funds** – funds provided to the University through unrestricted gifts (123001 and 123003 funds).
- **Restricted Discretionary Funds** – funds provided to the University through gifts and contributions where restrictions for use may vary. If the donor has established restrictions, in addition to these guidelines, it is the responsibility of the financial manager to ensure that the donor’s restrictions are followed (2XXXXX funds).
- **Grant and Contract Funds** – funds provided by federal, state, or local governments or foundations for specific purposes. Restrictions vary on use of these funds, but are typically more restrictive in regard to business-related and entertainment expenses (21XXXX and 22XXXX funds). Financial managers should refer to grant and contract agreements for specific restrictions.
- **Plant Funds** – funds restricted or designated for capital purposes (9XXXXX funds). These funds shall not be used for business-related and entertainment expenses.

Allowable/Unallowable Expenses by Types of Funds

Words in *italics* are defined in the Glossary below this table. Pre-approval required

TYPE OF EXPENSE	General and Auxiliary Operating Funds (11xxxx or 3xxxxx)	Unrestricted Discretionary Funds (123001 or 123003)	Restricted Discretionary Funds (2xxxxx)
1. Food and/or Alcoholic Beverages			
a. <i>University Sponsored Events</i> Refer to University Policies , Alcoholic Beverages on Campus.	No	Yes	Yes
b. <i>Entertaining Official Presenters and Official Guests</i>	No	Yes	Yes
c. <i>Development & Fundraising Dinners and Events</i> Includes tickets to events or hosting events	No	Yes	Yes
d. <i>Business Meeting Meals</i> Must include at least one external person essential to the business purpose.	No	Yes	Yes
UNALLOWABLE: ▪ All other			
2. Food and Non-Alcoholic Beverages			
a. Sponsored Meetings of Professional Organizations	Yes	Yes	Yes
b. <i>Lectures, Workshops, Conferences, and Retreats</i>	Yes	Yes	Yes
c. Recruitment of Students	Yes	Yes	Yes
d. <i>Development & Fundraising Dinners and Events</i> Includes tickets to events or hosting events	Yes	Yes	Yes
e. <i>Business Meeting Meals</i> Must either: 1. include at least one external person essential to the business purpose, 2. expand the workday by using employees personal time to assist in business operations or, 3. be held at odd times due to scheduling difficulties of the participants.	Yes	Yes	Yes

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TYPE OF EXPENSE	General and Auxiliary Operating Funds (11xxxx or 3xxxxx)	Unrestricted Discretionary Funds (123001 or 123003)	Restricted Discretionary Funds (2xxxxx)
f. Beverages for <i>External Constituents</i>	Yes	Yes	Yes
g. Faculty Orientation	Yes	Yes	Yes
h. Mandated Training Only when training extends over meal times	Yes	Yes	Yes
i. Social Gatherings to Meet New Hires	No	Yes	Yes
j. <i>University Sponsored Events</i>	Yes	Yes	Yes
k. Entertaining <i>Official Presenters</i> and <i>Official Guests</i> of the University.	Yes	Yes	Yes
l. <i>Student Functions</i>	Yes	Yes	Yes
m. Employee Retirement – Internal Event – No <i>External Constituents</i>	No	Yes	No
n. Employee Retirement – <i>External Constituents</i>	No	Yes	Yes
o. University-Wide Employee Recognition	Yes	Yes	Yes
p. <i>Community Functions</i>	Yes	Yes	Yes
q. Departmental / Divisional Employee Recognition <i>Area Division Officer</i> pre-approval is required.	No	Yes	Yes
UNALLOWABLE: <ul style="list-style-type: none"> ▪ Social gatherings to celebrate: <ul style="list-style-type: none"> ▪ employee intra-university transfer ▪ employee resignation ▪ holidays ▪ annual holiday breakfast ▪ special occasions/personal events ▪ Tailgating for social purposes ▪ Employee consumption of snacks or beverages intended for external constituents ▪ All other 			
3. Flowers for Decorative Purposes			
a. <i>Development & Fundraising Events</i>	Yes	Yes	Yes
b. University-Wide Employee Recognition	Yes	Yes	Yes
c. <i>University Sponsored Events</i>	Yes	Yes	Yes
UNALLOWABLE: <ul style="list-style-type: none"> ▪ Celebrations ▪ Department/office usage ▪ Holidays ▪ Special occasions/personal events ▪ All other 			

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TYPE OF EXPENSE	General and Auxiliary Operating Funds (11xxxx or 3xxxxx)	Unrestricted Discretionary Funds (123001 or 123003)	Restricted Discretionary Funds (2xxxxx)
4. Flowers/Gifts			
a. Illness or Bereavement Due to Illness or death of a member of the <i>University Community</i> , or a member of their <i>Immediate Family</i> .	No	Yes	Yes
UNALLOWABLE: <ul style="list-style-type: none"> ▪ Due to illness or death outside of <i>Immediate Family</i> ▪ Donations in lieu of flowers ▪ All other 			
5. Greeting Cards			
a. To members of the <i>University Community</i>	Yes	Yes	Yes
6. Gifts and Prizes (excluding gift cards)			
a. To donors for appreciation	No	Yes	Yes
b. To donors for appreciation Purchase restricted to Development Area.	Yes	Yes	Yes
c. To give to graduating students as keepsakes. Cost should be less than \$25	No	Yes	Yes
d. To give at <i>University Sponsored Events</i> as prizes or incentives. IRS guidelines apply when cost > \$600	Yes	Yes	Yes
UNALLOWABLE: <ul style="list-style-type: none"> ▪ To employees for work related or non-work related occasions ▪ To reward students in the classroom ▪ All other 			
7. Gift Cards			
a. To give at <i>University Sponsored Events</i> as prizes or incentives. Controller pre-approval is required and IRS guidelines apply when cost> \$600	Yes	Yes	Yes
UNALLOWABLE: <ul style="list-style-type: none"> ▪ To employees for work related or non-work related occasions ▪ To reward students in the classroom ▪ All other 			
8. Decorations			
a. Event decorations in public areas	Yes	Yes	Yes
UNALLOWABLE: <ul style="list-style-type: none"> ▪ Department/office usage ▪ All other 			

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Glossary (The following definitions apply to the Business-Related and Entertainment (BRE) expense guidelines.)

Area Division Officers: Area Division Officers generally include the President, Provost, and Vice Presidents, and others who have oversight over one or more of the University's divisions, currently defined as Academic Affairs; Collaboration & Communication; Diversity & Multicultural Affairs; Enrollment Planning & Management; Finance & Business Operations; Legal Affairs & Human Resources; Student Success & Experience.

Business Meeting Meals: The primary purpose must be to have a meeting at which University business is conducted; not a social gathering at which food is provided. This includes all types of meetings, such as committees, taskforces, and workgroups. A business meeting breakfast is held before or during a normal workday. A business meeting lunch is held during the normal workday. A business meeting dinner is held after a normal workday.

Campus Community: Includes YSU students, YSU employees, and the YSU Board of Trustees.

Community Functions: University Sponsored Events that are open to the public. Not to be confused with Sponsorship expense (account code 701948), which is defined as monetary support given to another University department or external entity in return for the commercial potential associated with that University department or external entity.

Conferences: Groups of external persons meeting for consultations, exchanges of information, or discussions, with formal agendas, and usually associated with fees.

Development & Fundraising: The act of developing relationships, with existing and potential donors, with the expectation of securing a valuable benefit to the University.

External Constituents: Individuals, organizations, and businesses outside of the *Campus Community*, who have an active interest in the University, (includes donors).

Immediate Family: Spouses, children, parents, and siblings of the employee.

Lectures: Discourses on particular subjects given to audiences by *Official Presenters*.

Official Guests: Visitors from other universities or *External Constituents* invited by a department, college, or the University, and supported by the Administration.

Official Presenters: Consultants, speakers, or lecturers invited by a department, college, or the University, and supported by the Administration.

Retreats: Meetings with specific agendas or purposes that are held away from the normal work environment, generally longer in duration and infrequent in nature.

Student Functions: Events that are focused on students. Can be held at the department, college, or University level and are supported by the Administration. The majority of attendees will be students. Includes Athletic team meals.

University Community: Includes the *Campus Community* and *External Constituents*.

University Sponsored Events: Events that are held at the department, college, or University level, are supported by the Administration, and open to the *Campus Community* or *University Community*.

Workshops: Educational seminars or series of meetings emphasizing interactions and exchanges of information among a usually small number of participants, can include *External Constituents*.

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