



ADMINISTRATIVE DIRECTIVE

Title: Business Meals and Food-Related Function Expenses
Issuing Department: Finance
Effective Date: June 19, 2018
Approved: Jamsheed Mehta, Town Manager
Type of Action: Revision

1.0 PURPOSE

The purposes of this directive are to assist departments in determining the appropriate expenditure of public funds for food at meetings or related events and to ensure that expenditures are consistent with the business objectives of the Town of Marana. It also ensures fair and equitable treatment of employees by defining procedures for authorized business meals and food-related function expenses and guidelines for expense reimbursement.

2.0 DEPARTMENTS AFFECTED

All Town of Marana departments and employees, and appointed and elected officials

3.0 REFERENCES

- 3.1 Arizona Constitution, Article 9, Section 7 - Gift or loan of credit; subsidies; stock ownership; joint ownership
- 3.2 IRS Publication 15, (Circular E), Employers Tax Guide
- 3.3 IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits
- 3.4 IRS Publication 463, Travel, Entertainment, Gift, and Car Expense
- 3.5 Town of Marana Personnel Policies and Procedures, Section 1-2-2: Abuse of Position
- 3.6 Town of Marana Personnel Policies and Procedures, Policy 7-5: Drug- and Alcohol-Free Workplace
- 3.7 Town of Marana Administrative Directive: Travel and Training

4.0 DEFINITIONS

- 4.1 Business meal: A meal provided at a business meeting.
- 4.2 Business meeting: A gathering of individuals for the purpose of exchanging information, planning, training, or other activities, where a Town employee(s) meets with a non-employee(s) for business purposes.

- 4.3 Business purposes: Activities that contribute to any one of the Town's major objectives and will benefit employees' ability to be more productive. The purpose must be for the public's benefit and related to the department's or Town's business activities.
- 4.4 Elected official: The Town of Marana Mayor or any Town of Marana Council member.
- 4.5 Employee: Any full- or part-time classified or unclassified employee hired for an indefinite period in a budgeted position. For purposes of this directive only, all references to employee shall also include elected and appointed officials.
- 4.6 Food-related functions: Public meetings, training sessions, meetings of the Town Council, Boards, or Commissions, and other functions, including Town-sanctioned, Town-wide activities such as Employee Appreciation events, at which food and beverages are served, or made available for the Town's benefit. Food-related functions do not include budgeted, Parks and Recreation events/programs in which the cost of the food is either paid by or recovered from the participant.
- 4.7 Public meeting: A gathering of individuals for the purpose of exchanging information, planning, training, or other activities, where the majority of attendees are non-employees, or a gathering of individuals where the purpose is to convey information to the general public. A public meeting must be held for a business purpose.

5.0 POLICIES AND PROCEDURES

- 5.1 Approval process. Except as provided in section 5.2 below, all expenditures for business meals and food-related functions must be approved in advance in order to be reimbursed by the Town.
 - 5.1.1 Employees who wish to expend or be reimbursed from Town funds for business meals and food-related functions must submit a Business Meal/Food-Related Function Authorization Form (Attachment A) to the Finance Department.
 - 5.1.2 The employee must provide a detailed description of the meal, program, or event, specifying the business purpose. Generalizations such as "discussed program operations" are insufficient.
 - 5.1.3 The employee must submit a list of expected attendees.
 - 5.1.4 Except as otherwise set forth in this directive, business meal expenditures require the approval of the employee's Department Head and the Finance Director, and food-related function expenditures require the approval of the Town Manager in addition to the Department Head and the Finance Director.
 - 5.1.4.1 Notwithstanding section 5.1.4 above, Town Manager approval is not required for expenditures of the Marana Municipal Court.
- 5.2 Pre-approval not required. The following business meal and food-related function expenses do not require pre-approval; however, to substantiate the use of Town funds or to obtain reimbursement for the expenses, the employee must submit the documentation required by section 5.3 below.
 - 5.2.1 Business meals between a Department Head(s) and a non-employee(s) that cost less than \$50.

- 5.2.2 Business meals between an Elected Official(s), the Town Manager, a Deputy or Assistant Town Manager, or the Town Magistrate and a non-employee(s) regardless of the cost of the meal.
- 5.2.3 Food-related function expenses that are specifically budgeted for, including without limitation:
 - 5.2.3.1 On-site, departmental strategic planning sessions or similar meetings.
 - 5.2.3.2 Employee recognition, volunteer appreciation, or similar events.
 - 5.2.3.3 Capital project partnering meetings.
 - 5.2.3.4 Major special events.
- 5.2.4 Food-related function expenses that cost less than \$50.
- 5.3 Substantiation/reimbursement procedures. To substantiate the use of Town funds or to be reimbursed for business meal or food-related function expenditures, an employee must submit a Business Meal/Food-Related Function Substantiation Form (Attachment B) to Finance along with the check request or credit card reconciliation, as applicable. The form must be certified by the employee. The following documentation must be included with the form:
 - 5.3.1 A listing of each individual in attendance at the event, including the individual's title, if any. For larger meetings, documentation may include a sign-in sheet, participant roster or similar item.
 - 5.3.2 Original itemized receipts (*i.e.*, receipts with detailed food/beverage purchase information). Credit card summary receipts and/or statements will not be accepted for reimbursement. In the rare instance that no itemized receipt is available, a Lost Receipt Affidavit must certify compliance with this directive, included certification that no alcohol was purchased.
 - 5.3.3 The public purpose of the business meeting or public meeting. Generalizations such as "discussed program operations" are insufficient.
- 5.4 Non-reimbursable expenses. The following expenses are not reimbursable under this directive. This list is not intended to be a complete list of unallowable items; employees are expected to exercise good judgment.
 - 5.4.1 Expenses for food for employees engaged in routine Town business, except as set forth in Town of Marana Administrative Directive: Travel and Training.
 - 5.4.2 Expenses for business meals between Town employees.
 - 5.4.3 Expenses for alcoholic beverages; consumption of alcoholic beverages by employees during business hours is a violation of Town of Marana Personnel Policies and Procedures, Policy 7-5: Drug- and Alcohol-Free Workplace.
 - 5.4.4 Expenses for social functions or activities such as holiday parties, awards ceremonies, departmental celebratory functions or similar-type events, except as described in section 5.2.3 above.

5.5 Application to elected and appointed officials. The provisions of this directive shall also apply to elected and appointed officials, except that the approval process shall be as follows:

5.5.1 All expenditure requests require the approval of the Mayor, the Town Manager and the Finance Director, except that if the person expending the funds is the Mayor, only the approval of the Town Manager and the Finance Director is required.

5.5.2 If the Mayor, the Town Manager, or the Finance Director disapproves a request, the request shall be scheduled for a vote of the Town Council at a public meeting. A majority of the Council shall constitute the final determination of approval or disapproval of the expenditure.

6.0 RESPONSIBILITIES

6.1 All employees are responsible for understanding and following this directive.

6.2 Employees shall be personally financially responsible for unauthorized food-related function or business meal expenses.

6.3 Department Heads are responsible for budgeting for costs within their respective departments and are responsible for ensuring the use of public funds is consistent with this directive.

6.4 The Finance Department is responsible for the overall financial management of the Town's budget and may request information required to support the purposes of this directive.

7.0 ATTACHMENTS

7.1 Attachment A - Business Meal/Food-Related Function Authorization Form

7.2 Attachment B - Business Meal/Food-Related Function Substantiation Form

Attachment A
Business Meal/Food-Related Function
AUTHORIZATION FORM

SECTION I – ITEM INFORMATION			
Date:			
Employee Name:			
Department:			
Type:	<input type="checkbox"/> Business Meal <input type="checkbox"/> Food Related Function		
Location:			
Business Purpose (attach agenda/program when available):			
Estimated Cost:			
Account Number:			
SECTION II - ATTENDEE INFORMATION			
EXPECTED TOWN EMPLOYEES (attach supplemental sheet(s), as necessary)			
Name	Title	Department	
1.			
2.			
3.			
4.			
5.			
EXPECTED NON-TOWN ATTENDEES (attach supplemental sheet(s), as necessary)			
Name	Title	Affiliation	
1.			
2.			
3.			
4.			
5.			
SECTION III – EMPLOYEE SIGNATURE			
Employee Signature	Date		
SECTION IV – AUTHORIZATION			
Level	Approved?	Signature	Date
Department Head:	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	_____
Finance Director:	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____	_____
Town Manager:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA	_____	_____

Attachment B
Business Meal/Food-Related Function
SUBSTANTIATION FORM

SECTION I – ITEM INFORMATION		
Date:		
Employee Name:		
Department:		
Prior Approval Required?	<input type="checkbox"/> No <input type="checkbox"/> Yes (if yes, please attach approval)	
Type:	<input type="checkbox"/> Business Meal <input type="checkbox"/> Food Related Function	
Location:		
Business Purpose (attach agenda/program when available):		
Actual Cost:		
Account Number:		
SECTION II - ATTENDEE INFORMATION		
Actual Listing of Town Employees (attach supplemental sheet(s), as necessary)		
Name	Title	Department
1.		
2.		
3.		
4.		
5.		
Actual Non-town Attendees (attach supplemental sheet(s), as necessary)		
Name	Title	Department
1.		
2.		
3.		
4.		
5.		
SECTION III – EMPLOYEE CERTIFICATION		
I certify that the information included above is accurate and complete. Additionally, I certify that the above cost(s) was incurred for the public purpose identified above and that that all itemized receipts are attached, as required.		
Signature	Date	

REVISION HISTORY

<i>REV</i>	<i>DESCRIPTION OF CHANGE</i>	<i>DATE</i>
OR	Original Release – Employees	8/1/15
OR	Original Release – Elected and appointed officials	10/20/15 (Resolution No. 2015-111)
REV	Revision – Employees and elected and appointed officials	6/19/18 (Resolution No. 2018-064)

Caution: A copy of this Administrative Directive is an uncontrolled document. It is your responsibility to ensure you are using the current version. The electronic version is the only acceptable and controlled Administrative Directive.