

COMPTROLLER POLICY MANUAL

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|  | POLICY: CMP 420-04 |
| | Section: 400 Disbursements |
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| | Responsible office: Comptroller |
| | Origination date: 01/01/2000 |
| Subject: Business Meals | Effective date: 07/22/2004 |
| | Revision date: 04/19/2022 |

PURPOSE

Guidelines for business meals.

SOURCE

University policy

APPLICABILITY

This policy covers all expenditures made for business meals.

POLICY

CMP 420-04: Business Meals

Expenditures for business meals, food, and related expenses must be paid from the following sources:

1. unrestricted gift departments,
2. conference, seminar, and workshop departments,
3. other local departments when the business meals, food, and related expenses/expenditures are consistent with the purpose of the departments.

Business meals include only non-alcoholic beverages. Guidelines for reasonable cost per person, including tax and tip, are:

- Breakfast \$25
- Lunch \$30
- Dinner \$60

Business meals in excess of guidelines are subject to review and may result in processing delays or limited reimbursement.

Alcoholic beverages may not be paid for with university funds from any source under any circumstances.

Since business meals, food and related expenditures are often not appropriate on grants and contracts, confer with your grants and contract services administrator before making any commitment of funds for this purpose. Business meals, food, and related expenses cannot be charged to grants or contract departments, unless specifically authorized by the grant or contract.

State funds cannot be used to pay for business meals, food, or related expenses, regardless of the purpose.

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Standard business practice dictates, and the university's internal and external auditors require, certain specified documentation for business meals, food, and related expenditures. For this reason, the Food Purchase form must be completed for every food expenditure, regardless of the dollar amount. It is important that the public purpose being served is adequately documented on the form since public funds are being used. A list of attendees also must be documented on the form. If, however, a large group is present at the event and an attendee list is not available, it is acceptable to state the approximate number in attendance and, if known, mention the related NAU departments or affiliation if non-NAU related.

PROCEDURE

Submit [Business Food-Meal Purchase Authorization](#), signed by the Dean, Director, or Chair of the department with the following information:

- List of individuals in attendance
- Detailed business purpose of the meal, restaurant name and address if not supplied
- Certify that no alcoholic beverages were included in total
- Original **itemized** receipt and copy of the credit card charge slip.

NOTE: FOOD PURCHASES SHALL NOT BE CHARGED ON STATE ACCOUNTS

Food purchases are not allowed for the following:

- Staff meetings
- Alcohol of any type
- Faculty/Staff functions (see [CMP 420-02](#), Food and Refreshment Policy)

TIPS – The industry standard for tips related to a meal served in a restaurant in the U.S. is between fifteen percent (15%) to twenty percent (20%) of the pre-tax bill.

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APPROVALS

The Business Meals and Related Expenses Form requires the following approval(s):

| Expenditure | Approval Required |
|---|--|
| Meals and nonalcoholic beverages less than allowable rate per person | Authorized department signature and appropriate dean or director signature. |
| Meals and nonalcoholic beverages in excess of allowable rate per person | Authorized department signature, appropriate dean or director signature, and appropriate provost or vice president signature. |

CROSS-REFERENCE

For more information on allowable food expenditures, see [CMP 401-03](#), Prohibited Transactions and the NAU Food and Refreshment Policy [CMP 420-02](#).