

UAS Meals & Entertainment Type Expenses

In general, entertainment expenses are not allowable on sponsored awards. However, it is appropriate at times to charge meals and the following guidelines should be used to determine when the cost is allowable and how the expenses would be categorized for meals, lodging and social activities on sponsored awards.

Entertainment expenses on non-federal awards may be appropriate, and allowable, depending upon the guidelines of the specific sponsor. If allowable, then, UAS' policy on entertainment expenses must be followed to ensure compliance with UA policy. UA Account Code Manual has specific account codes for the classification of entertainment type expenses, and classification is important. Even awards from private donors are subject to audit.

Entertainment costs are generally unallowable: "Costs of entertainment, including amusement, diversion, and social activities, and any associated costs are unallowable." The following exceptions apply if specifically pre-approved: "...specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval for the Federal awarding agency" (Subpart E, 200.438).

The following guidelines should be used to determine if an exception exists, the cost maybe allowable, and how the expenses would be categorized for meals, lodging and social activities on sponsored awards.

Alcoholic Beverages are *not* allowable on sponsored awards.

Meals that are an integral and necessary part of a conference (i.e., working meal where business is transacted), and have been approved in the proposal budget or otherwise in writing by the sponsor, are allowable. A conference is defined as "a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity and is necessary and reasonable for successful performance under the Federal Award (Subpart E, 200.432). Meals for guests not attending the conference are unallowable. For all allowable expenses for "working" meals, UAS has specific policy and guidelines for preauthorization of expenditure of funds that must be followed. UAS has specific account codes to correctly classify these expenditures that are included in the UA Account Code Manual.

Meals that are provided to key participants during an all day scheduled meeting with an agenda are allowable. Please provide the following documentation:

- List names of the attendees
- Include a statement that specifies the nature of the business conducted during the meal, why the meal was a necessary part of the conference and explain how it directly benefited the sponsored research award
- Attach a copy of the conference agenda

Reasonable, actual out-of-pocket expenses incurred while traveling to a scheduled meeting are allowable when the travel will provide direct benefit to the award. Allowable expenses related to travel include meals for the individual. Guest meals are not allowable and should not be charged to the sponsored award. Travel expenses should be charged to the appropriate travel account code. UAS has travel account codes that are specific to direct travel costs, and are included in the account code manual.