



CHARLES R. DREW UNIVERSITY OF MEDICINE AND SCIENCE Office of Sponsored Programs

CDU Food Policy

Charging Meals to Federal and State Grants

Business meals on sponsored projects are allowed to the extent they are allowable under Charles R. Drew University policies and those of the sponsor. Federal grants are also subject to allowability under the Office of Budget and Management (OMB) Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts and Other Agreements with Educational Institutions.

Under OMB A-21 meals are allowed to the extent they are necessary to meet the objectives of the sponsored projects. Meals that are related to administrative functions such as food at a lab meeting are not allowable. Meals for entertainment purposes and alcohol are also not allowed. When meals **are not** necessary to the continuity of a meeting, they are considered entertainment and not allowed on sponsored projects. Meals that are for purposes of discussing future projects are also not allowed.

In order for business meals to be charged to a grant the following must be demonstrated:

- The meal must be part of a formal business meeting and integral to the continuity of conducting business
- The meeting must include external participant(s)
- The business discussed during the meal must be integral to the goals and objectives of the project

If a Business meeting is allowed on a grant, the following documentation is required:

- Date, location and description of the expenditure
- Itemized receipts of items ordered
- List of names of attendees with title, company or institution, affiliation and business relationship to the project
- Business purpose for incurring the expense; description of how the business conducted furthers the goal of the project. The need for such meals should be included in the proposal.

This section provides supplemental interpretation of federal regulations contained in Circular A-21 concerning charging food and refreshments to federal grants while not on travel status.

Note that CDU Policy may permit spending CDU funds for these types of expenses but they may not be allowable on sponsored projects. In these cases, the cost should be charged to a faculty or departmental discretionary account.

The cost of purchased meals while not on travel status will normally not be allowed as a direct charge to a federal or state grant because CDU employee is not "traveling" and the cost is normally considered a personal expense. However, when a food or beverage cost meets the following three criteria, and the Principal Investigator (PI) provides written justification of the business purpose of the expenditures and how they relate to the specific sponsored project, (including purpose of the meeting, list of attendees, beginning and end times), a meal cost may be charged to a sponsored project. The applicable criteria are:

1. The cost must be **allowable** under both the provisions of A-21 AND under the terms of a specific award. The food and beverages must not be directly related to a social event.
2. The cost must be **allocable**, that is, the project which pays the expense must benefit from it. More specifically, the food and beverage must be integral to a project-related event.
3. The cost must be **reasonable**, that is the cost reflects what a "prudent person" would pay in a similar circumstance.

Examples of **allowable** food charges:

- Lunch and refreshments provided for periodic all-day meeting of collaborators on a program project (with formal agenda and participants from different locations).
- A post-doc being recruited to fill an open position on a research grant travels to CDU. Her/his meal may be charged to the grant since she/he is on travel status, but the PI's meal may not.

Examples of **unallowable** food charges:

- Lab personnel meet weekly to discuss progress on the grant.
- PI has lunch/dinner with a colleague and discusses research.