



OFFICE OF SPONSORED PROGRAMS

Charles R. Drew University of Medicine and Science

Guidance on Charging Meals to Federal and State Grants

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 NIH Grants Policy Statement concerning charging meals and refreshments to federal grants.

Allowable for subjects and patients under study, or where specifically approved as part of the project activity, provided that such charges are not duplicated in participants' per diem or subsistence allowances, if any.

When certain meals are an integral and necessary part of a meeting or conference (i.e., a working meal where business is transacted), grant funds may be used for such meals only when consistent with terms of award.

The cost of meals served at a meeting or conference, for which the primary purpose is the dissemination of technical information, is no longer allowable on NIH grants where the primary purpose of the grant is to support a conference or meeting (see also [Support of Scientific Meetings \(Conference Grants\) Section 14.10.1](#)). However, when such a meeting/conference is an ancillary effort under a grant where the primary purpose is other than to support such a meeting/conference, then the cost of meals would be allowable. When allowable as a direct charge, the cost of any meal must meet a test of reasonableness. However, recurring business meetings, such as staff meetings, should not be broadly considered as meetings for the primary purpose of disseminating technical information in order to justify charging meals or refreshment to costs to grants.

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 OMB 2CFR 200 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.

In order to charge a business meal on a federal award, an itemized receipt should be presented even if the total amount of the bill is less than \$75. If an itemized receipt is not available, including the use of a Missing Receipt Affidavit (MRA), and:

- If the meal(s) did not include alcohol, the traveler must demonstrate in writing that no alcohol was charged, the entire amount can be charged to the appropriate federal award.

- If the meal(s) did include alcohol and the traveler can demonstrate in writing the alcohol cost, then the alcohol portion of the meal costs, along with the applicable tax and tip, must be charged to a non-sponsored account. The remainder of the meal costs can be charged to the appropriate federal award.
- If alcohol was included and the traveler **cannot** verify to the alcohol cost, then no portion of the meal costs can be charged to a federal award.

Examples of **unallowable** food charges:

- Researchers and/or staff meetings to discuss progress on the grant.
- PI has lunch/dinner with a colleague and discusses research(the meal of the visitor, if they are on travel status, may be charged to the award)

Local business meals may be directly charged to an award if they are linked to a formal meeting or conference at which technical information directly related to the award is being shared or disseminated. Note that specific federal sponsors may have varying terms and conditions that differ from the federal definitions. Please refer to the award's terms and conditions for any specific treatment of expenses.