



OFFICE OF SPONSORED PROGRAMS

Charles R. Drew University of Medicine and Science

Guidance on Entertainment, Meal and Travel Expenses Related to Sponsored Research Awards

One group of costs that should receive special attention are entertainment and meals expenses. In general, entertainment expenses are not allowable on sponsored research awards. The allowability of entertainment expenses on non-federal sponsored research awards depends upon the guidelines of the specific sponsor. Entertainment has been loosely defined by OMB Uniform Guidance, 2CFR 200.438 as "Entertainment Costs", including amusement, diversion, and social activities and any associated costs are unallowable, except where 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 of the Federal awarding agency." The following guidelines should be used in determining the allowability and categorizing of expenses for meals, lodging and social activities on sponsored research awards:

According to 2CFR 200.423 Alcoholic Beverages are not allowable on sponsored research awards unless specifically authorized in the approved budget and consistent with the purpose of the award. The instances where alcohol is approved in the budget are extremely rare. Unless allowed by the sponsor, Alcohol purchased during meals, travel, conferences or meetings should be deducted from the amount to be charged to a sponsored research award. When Alcohol is allowed on a sponsored research award by the sponsor, the designated account number for this type of expense should be charged.

Reasonable and 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 be not be charged to the sponsored research award. Travel expenses should be charged to the appropriate travel Expenditure Type.

Meals for subjects and patients under study are allowable when included in the approved budget. Meals for research subjects should be charged to the appropriate account number. Certain meals that are an integral and necessary part of a conference (i.e. working meal where business is transacted) and are associated with a sponsored research award that has been designated as a Conference Grant by the sponsor is allowable. Meals that are provided to key participants during an all-day scheduled meeting with an agenda are allowable. A conference is generally defined as "A symposium, seminar, workshop, or any other organized and formal meeting lasting 1 or more days where persons assemble to exchange information or clarify a defined subject. Meals for guests not attending the conference are unallowable. Allowable expenses for "working" meals associated with an all-day conference should be charged to the appropriate account number.

Costs associated with recruitment of personnel generally are allowable, but should be confirmed with OSP Post Award and/or Finance Account Manager for that particular sponsored research award. These allowable recruitment costs include help wanted advertising costs, travel costs to pre-employment interviews incurred by applicants, and travel costs of employees while engaged in recruiting personnel. Guest (other than the applicant and Principal Investigator) expenses are unallowable.

PLEASE NOTE:

Sponsored research awards may be used to cover the costs associated with travel and entertainment, i.e. transportation, meals, and lodging. However, there are a number of factors that enter into approval of sponsored research awards to cover travel and entertainment expenses, here are those factors:

- The awarded proposal must have clearly stated an amount and justification for the travel, this will translate into a budget category for travel when the Internal Notice of Award is processed and an Account is established.
- The expenses incurred related to travel and entertainment must be fully documented and clearly stated in the CDU Travel Policy.
- The expenses incurred related to travel and entertainment on a federally sponsored research award must conform to federal regulations.

Sponsors may have more explicit policies covering reimbursement of these expenses. The Research Administrator and Principal Investigator are advised to review in detail the awarding agency's travel guidelines as well as the CUD Travel Policy, if further clarification is required, you can contact your OSP Post Award and/or the Office Finance.

Meals provided to participants of an all-day conference or working meeting should include 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
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Examples of Entertainment and Meals Situations:

The following are examples of common situations that arise on sponsored research awards. These examples are intended as a guideline for determining the classification and allowability of expenses. We realize that the guidelines are subject to interpretation on a case-by-case basis. Please call OSP for questions regarding a specific case.

1. The institution invites a distinguished scientist to deliver a talk directly related to a sponsored research award. The Research Department provides coffee and cookies during a break before a related question and answer session. The cost of the refreshments are not entertainment and should be allowable on a sponsored research award, so long as they are reasonable. They

are associated with a meeting where the primary purpose is the delivery of information regarding a related sponsored research award.

2. After the meeting, College of Medicine (COM) Dean holds a reception for the scientist where alcoholic beverages and hors d'oeuvres are served. These costs are considered entertainment and generally unallowable on a sponsored research award.
3. The COM Dean takes the scientist and his VP for Research and Health Affairs out for dinner. Alcohol is served. This is also considered entertainment, and is not generally allowable on a sponsored research award.
4. The College arrange for lodging at a hotel for this scientist after the talk. The costs of lodging would be allowable on a sponsored research award where the principal purpose of the meeting like this, was dissemination of technical information.
5. The President, Provost, and Vice-Presidents hold a retreat off campus to discuss a 3-year financial plan. There is a continental breakfast, and lunch served. The participants go to a local restaurant for dinner. Since the primary purpose of the meeting is a technical discussion, and there is an agenda (the 3-year plan), the costs of travel, housing, breakfast, and lunch would not be considered entertainment. It would probably be hard to argue that the primary purpose carried over to dinner, however. In fact, it probably makes sense to exclude on this basis all meals where alcohol is served, except where on travel & meals are being reimbursed as part of travel reimbursement policy.
6. The Provost travels to Washington to recruit a department chair. The reasonable cost of travel and lodging (less alcohol, of course) would not be considered entertainment. Presumably this would include the costs of lunch or dinner with the recruit, assuming that it was inappropriate to meet at the recruit's place of business. Similarly, the reasonable cost of the recruit's travel to CDU would not be considered entertainment.
7. The President holds a reception in honor of CDU's 50th anniversary. This is entertainment cost and unallowable on a grant.