

**HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES**

Chapter 6	Fiscal Policies and Procedures	Effective:	July 2000
Section 6.1	Accounting	Revised:	September 2008
<b>Policy 6.1.6</b>	<b>Requirements for Official Functions and Entertainment</b>	Responsibility:	Assistant Vice President for Business Affairs

## **REQUIREMENTS FOR OFFICIAL FUNCTIONS AND ENTERTAINMENT**

### **Documentation**

In addition to the normal requirements for documentation of services, the following information is required on the [Local/State Voucher](#):

1. Purpose and Benefit of the function must be clearly stated within the documentation supporting all payments. The absence of such statements on expense reimbursements or other payments for business expenses has resulted in the Internal Revenue Service ruling that the payments are not related to the institution's business purpose and are therefore taxable income to the payee.
2. Names and Titles of persons attending a meeting or function must be included as support for the payment or reimbursement. The department may retain this information if the list of attendees is too extensive to itemize on the voucher payment request or if the names and titles of the attendees are not known at the time the payment is processed (in the case of prepaid catering, etc.). This information must be either supplied with the voucher being submitted for payment or retained within the department for a period of three years. The Accounting Office archives this information as document images. Therefore, the Accounting Office is capable of accepting extensive lists of attendee names and titles as payment support, relieving departments from the need to retain this information in their records, if they so choose.
3. If alcoholic beverages are purchased a copy of the approved [Request for Alcoholic Beverage on Campus \(Faculty/Staff Only\)](#) or [Request for Alcoholic Beverages on Campus for Student Organizations](#) must be attached to the voucher requesting payment. See [Section 8.2.3](#) of the *Handbook of Operating Procedures* (HOP), "Use of Alcoholic Beverages on Campus".

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**Authorized Accounts and Approvals**

Official functions and entertainment are limited to Auxiliary Enterprise Funds (35001), Designated Funds – MSRDP/DSRDP (22100-22xxx), and Designated Funds – General (23001-23xxx) excluding funds 23055, 23056, 23065, 23066, and 23070, and Current Restricted Funds (48000-48xxx).

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**Designated Funds MSRDP/DSRDP (22100-22xxx)**

Expenses \$500-\$2500 need advance approval of the Dean.

Expenses over \$2500 need advance approval of the President or Executive Vice President for Business Affairs.

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**Designated Funds General (23001-23xxx) and Auxiliary Funds (35001)**

Excluding funds 23055, 23056, 23065, 23066, and 23070.

Expenses \$500 and up require advance approval of the Dean.

Expenses less than \$500 for functions attended by only Health Science Center personnel require the approval of the Executive Vice President for Business Affairs or designee.

Holiday party expenses are not allowable on Designated Funds - General.

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**Current Restricted Funds (48000-48xxx)**

Expenses \$500 and up require advance approval of the Dean.

Expenses less than \$500 for functions attended by only Health Science Center personnel require the approval of the Office of Sponsored Programs.

Holiday party expenses from “Current Restricted Funds” are allowable with the Dean’s approval.

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**Exceptions**

Entertainment is allowed for official business that can be shown to be beneficial to the Health Science Center. This normally consists of the cost of taking an official visitor out to eat or a catered meal at the Health Science Center. Expenses may be paid directly to the vendor or reimbursed to the employee. Entertainment out of the ordinary requires

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approval of the President's Office. Examples of this are: Sea World, Fiesta Texas, symphony or theater tickets, zoo, boat rides on the River Walk, tours, museums, etc. Refer to [Section 6.1.7](#) of the HOP, "Discretionary Funds". Expenses for entertaining guests of the University should not exceed \$90 per person.

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