**8.1.1 Business Meals, Refreshments, and Alcohol**

**Policy Statement**

Business meal expenses such as food, refreshments, and alcohol should be reasonable and necessary to accomplish the mission of the University of Illinois System and must have a [bona fide business purpose](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=92559#zz). Business meal expenses for employees and non-employees are allowed.

The allowable maximum expenditure for business meals, receptions, and refreshments is:

* $75 per person per meal

Amount limits apply to all providers, including restaurants, caterers, and University of Illinois System-operated food service, excluding allowable expenditures for tax, tips, and service charges.

Expenses in excess of the allowable limit must have written approval from the dean, vice chancellor, assistant vice president, or provost, unless he or she will be attending the event. In that case, obtain written approval from the head of the next higher administrative unit not attending the event. Attach this supporting documentation to the reimbursement/payment request. Expenses in excess of the allowable limit for provosts do not require additional written approval.

The system is exempt from Illinois state sales tax and has reciprocal agreements with some other states. Always ask for this exemption.

The University of Illinois System is subject to and complies with [Illinois Public Act 95-0847](http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=095-0847) which sets forth criteria for the service or sale of alcoholic beverages in buildings under the control of the Board of Trustees. Alcohol must be served only in accordance with all applicable laws, policies, and regulations and only to those guests and participants twenty-one years of age or older and who are drinking responsibly.

Employees must follow policies and procedures controlling the possession, service, sale or consumption of alcohol at their university.

For the University of Illinois at Urbana-Champaign, alcohol served at unit events must be pre-approved following the process outlined in the [University of Illinois at Urbana-Champaign Alcohol Management Policy](http://cam.illinois.edu/viii/viii-10.htm).

Business meal expenses related to [sponsored awards](https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-principles/treatment-of-select-items-of-cost) or other restricted fund types must follow applicable regulations.

**Reason for the Policy**

The University of Illinois System follows the IRS's [accountable plan rules](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=92559#accountable-plan-rules) for business expenses found in Treasury Reg. §1.62-2. Additional information regarding these requirement can be found in [IRS Publication 463](https://www.irs.gov/pub/irs-pdf/p463.pdf).The accountable plan rules apply to all reimbursements, allowances, or advances to employees for authorized business expenditures.

**Applicability of the Policy**

Business meal, refreshment, and alcohol charges incurred in the conduct of University of Illinois System business.

**Procedure**

Purchasing business meals, refreshments, and alcohol for requires units to consider the procurement method, fund type restrictions, required supporting documentation, and any additional policy requirements.

**How to Purchase**

Business meals, refreshments, and alcohol may be purchased using:

* T-Card
* Purchase Order
* Reimbursed personal funds

Do **not** purchase business meals with a P-Card.

**Supporting Documentation**

Include the following information when processing payments:

* The business purpose of the meeting/activity (how it benefited the System) as required by the Internal Revenue Service.
* Itemized receipt or invoice detailing all food and beverage purchases.
* The number of employee and non-employee attendees.
* Whether alcohol was served.

**Fund Type Limitations for Alcohol**

State funds, service and storeroom self-supporting funds and grant funds cannot be used for any type of alcohol purchase.

**Related Policies and Procedures**

[1.3.1 Approval of Financial Documents](https://www.obfs.uillinois.edu/bfpp/section-1-intro-business-financial-functions/approval-of-financial-documents)

[1.3.3 What Approving or Signing a Document Means](https://www.obfs.uillinois.edu/bfpp/section-1-intro-business-financial-functions/what-approving-signing-document-means)

[16 Grants and Research Contracts - Sponsored Projects Cost Principles: Treatment of Select Items of Cost](https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-principles/treatment-of-select-items-of-cost)

**Additional Resources**

[University of Illinois Alcoholic Beverages Management Policy](http://www.trustees.uillinois.edu/trustees/agenda/January-15-2009/023a-jan-Alcohol-Policy.pdf)  
[University of Illinois at Urbana-Champaign Alcohol Management Policy](http://cam.illinois.edu/viii/viii-10.htm)  
[Illinois Public Act 95-0847](http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=095-0847)