

## MEMO

Date: April 21, 2017  
To: University Faculty, Staff, Directors, Chairs, Deans, and Vice Presidents  
From: Jeffrey J. West, Associate Vice President  
Subject: Approvals Necessary for Reimbursement of Business Meals and Sales Tax

### Background:

We have implemented electronic Payment Request (ePR) for Employee Reimbursements as part of our initiative to eliminate paper forms. ePR has been designed with data elements that allow us to more consistently monitor existing Policy requirements. Rule 3-010A: *Expenditure and Reimbursement Requirements*, as well as Policy 3-031: *Recruitment and Entertainment Expense Reimbursement* have provisions that have been difficult to track in the past, that will begin to be monitored with the implementation of the ePR system.

This memo is meant to clarify the reimbursement requirements outlined in policy, and how we will administer these requirements.

### Beginning May 1, 2017, ePR transactions that relate to the:

1. Dean or equivalent approval required to reimburse Utah Sales Tax, and
2. Approvals required authorizing reimbursement of business meals and food . . .

will be reviewed for compliance with the above regulations. Specifically,

Utah Sales Tax will not be reimbursed to employees for expenses where preferred procurement methods would have been Utah Sales Tax exempt. Preferred procurement methods include UShop catalog purchase or PCard purchases (when appropriate).

Rule 3-010A Section III.C.3.b provides guidance, where sales tax has been paid:

“Utah Sales Tax amounts will be deducted from requests for personal reimbursement of University of Utah business expenditures. This Rule applies to expenditures made by faculty, staff, and students – with the exception of business meals purchased at established restaurants involving 10 people or less.

- i. *The Dean or equivalent position* has the authority to approve reimbursement of sales tax on business expenditures in extraordinary circumstances and on an exception basis. A written explanation of the reasons for noncompliance with preferred procurement methods must accompany authorizing signature in order to obtain a reimbursement of Utah Sales Tax.” [Note: An example of an “equivalent position” is an Associate Vice President, on the administration side.]
- ii. [Note: Current Rule states that such authority cannot be delegated. This part of the Rule will be deleted. Delegation can now occur.]

Business Meals Authorization for entertainment or recruitment of vendors, contractors, visiting scholars/performers, recruits or other colleagues is governed by Policy 3-031: *Recruitment and Entertainment Expense Reimbursement*, which states in Section III.E:

“The appropriate forms must be completed and authorized by *the cognizant vice president, dean, or director* for reimbursement of recruitment and entertainment expenses. [...] The signature of the approving authority shall be deemed to constitute a certification by that officer that the expenses were incurred in the course of university business, are authorized under this policy and may properly be charged to the activities/projects designated.” [Note: *Department Chairs are considered equivalent to Director.*]

The following table illustrates reimbursement requirements for business meals and food purchases:

<b>Business Meal/Food Category</b>	<b>Description</b>	<b>VP, Dean, Director or Chair Approval Required for Reimbursements? (Per Policy 3-031)</b>	<b>Sales Tax Reimbursement Conditions to Clarify Rule 3-010A</b>
Meal: Annual/Award	Staff Holiday or Anniversary Luncheon	No	Sales Tax will be reimbursed for smaller groups (10 or less) <i>without</i> Dean or equivalent approval.  For groups of 10 or more, PCard should be used to avoid Sales Tax.
Meal: Business/Recruitment	Employee plus one or more: vendor, contractor, recruit, colleague – often spontaneous	Yes	
Food: in office	Snacks for staff or for a long meeting	No	Dean or equivalent approval required for Sales Tax Reimbursement.  UShop or PCard should be used to avoid Sales Tax.
Food: Group/Meeting	Typically, a catered event or meeting where lunch is served. These are usually planned in advance.		