
Lifespan System-Wide Policy

Subject:
Local Business
Meals

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Finance
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Approved by:

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Lifespan Finance #27



Vice President, Finance-
Corporate Services



Executive Vice President & CFO

I. Purpose:

To define the policy and procedure for reimbursement to employees of the cost of local business meals required in the ordinary course of business, for example, meals with business associates, job applicants, professional colleagues, or donors.

II. Eligibility:

This policy shall apply to all Lifespan affiliates.

III. Policy:

Local business meals are reimbursed on an actual basis and include:

- Reasonable and necessary meal expenses for business meetings involving Lifespan employees during which focused business discussions take place. The frequency of such meetings and the related expense must be reasonable and appropriate to the purpose of the discussion and the nature of the business conducted. Such expenses include:

III. Policy: (cont.)

- Breakfast, lunch, and dinner meetings which are necessary to conduct Lifespan business.
- Formally organized meetings which are necessary to carry out the business of various Lifespan committees.
- Meetings of an organized work group of employees that require activities of the group to progress through normal meal time.

Except under rare circumstances, these meals should not exceed the following thresholds, including a gratuity not to exceed 20% and applicable tax:

- Up to \$15 for breakfast,
- Up to \$30 for lunch,
- Up to \$45 for dinner

Restaurant receipts must identify the name and location of the restaurant, the number of people served, the date and amount of the expense and the associated business purpose. These meal receipts should be itemized.

Expenses re: alcoholic beverages are not allowable as charges to research grants, per 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”, or other sponsors’ requirements. With respect to Non-Research Responsibility Centers/Cost Centers, such expenses are refundable to the employee if they are ordinary, necessary and reasonable expenses incurred by an employee involved with the performance of services as an employee (See also the “Reimbursement” section of this policy).

Expenses Not Allowable:

Meals taken between two or more employees without a clear business purpose, which ordinarily could be conducted during normal working hours, are not reimbursable except where prior approval has been obtained.

Reimbursement:

1. Request for reimbursement of local business meal expenses will be initiated by completion and submission of an Employee Expense Reimbursement Voucher (Form A-92), which requires the employee’s signature and the approval of the employee’s immediate supervisor or designee. The employee’s responsibility center should be clearly indicated on Form A-92.

As noted above, Employee Expense Reimbursement Vouchers must have original itemized receipts attached supporting local business meal expenses.

Reimbursement: (cont.)

Internal Revenue Service (IRS) regulations require that local business meal expense reimbursement claims include documentation of the date, place, and business purpose; the reason for entertaining or nature of the business benefit derived; the nature of the business discussion or activity; and the identity and business relationship of those entertained. If the expenses are not fully documented, IRS regulations may require Lifespan to treat the reimbursement of such expenses to the employee as additional compensation subject to Federal and State income taxes.

All the above information must be present on the Employee Expense Reimbursement Voucher prior to the processing of reimbursement to the employee.

Expenses re: alcoholic beverages are not allowable as charges to research grants, per 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”, or other sponsors’ requirements.

With respect to Non-Grant Research Restricted Funds and Non-Research Responsibility Centers/Cost Centers, expenses re: alcoholic beverages are refundable to the employee if they are ordinary, necessary and reasonable expenses incurred by an employee involved with the performance of services as an employee, for example, recruitment, entertainment of guest speakers, etc. The cost of alcoholic beverages, if any, should be identified on the Employee Expense Reimbursement Voucher so that such cost can be charged to a Medicare non-reimbursable object code, enabling proper classification in the respective Lifespan affiliate's Medicare Cost Report.

2. Original itemized meal receipts for all local business meal expenses greater than \$25 are required. If necessary, a telephone call to the applicable local restaurant may also be placed by the employee seeking reimbursement to request a fax or scan of the itemized meal receipt. Meal receipts over \$25 that are not itemized will be capped at \$25.
3. The Employee Expense Reimbursement Voucher must carry on the appropriate line the legible signatures of the employee seeking reimbursement and the employee’s immediate supervisor or designee. Senior executives should obtain secondary written approval from a superior or peer.
4. All reimbursement checks will be mailed to the employee’s home address.

Reimbursement: (cont.)

5. Holiday parties will not be reimbursed from either operating responsibility centers or restricted funds. Any exceptions must be approved in advance by the CEO's Council and documented in a memorandum from the EVP/CFO.

IV. Procedure:

Responsibility/Action:

The employee submitting an Employee Expense Reimbursement Voucher to be reimbursed for local business meal expenses is responsible for adhering to all applicable Lifespan policies.

Department directors are responsible for assuring that the expenses are within the department budget and that the detail amounts are appropriately documented, acceptable, reasonable, and moderate in conformity with the provisions of this policy.

Lifespan Finance personnel will review local business meal expenses for supporting documentation, arithmetic accuracy, propriety of expenditures, and approval signatures before accepting for payment processing. Discrepancies from this policy will result in the return of the reimbursement voucher to the initiating department for appropriate action/follow up.

Employees who submit Employee Expense Reimbursement Vouchers to the Lifespan Finance Department for payment which do not have the required documentation support will be given a 60-day period (from the date of receipt of the voucher by Finance) within which to fulfill Lifespan's policy regarding proper support for Employee Expense Reimbursements.

This 60-day period will allow ample time for the employee to submit proof of payment in the form of a copy of a check image, credit card statement, or to obtain data from on-line banking. It will also allow for the recovery of receipts that may have been misplaced or lost, as well as obtaining other requested information/documentation.

At the end of the 60-day period, employees who fail to respond to requests for required documentation will be reimbursed only for those expenses which have been substantiated. Should the employee obtain proper supporting documentation later, the related expenses may then be resubmitted to Finance using a new Employee Expense Reimbursement Voucher.