

Purpose and Scope

To supplement the University's Guide to Financial Management (GTFM)ⁱ travel and other reimbursable expenses policies and guidelines for the [entertainment of non-University employees](#) (e.g. clients, partners, and other external groups) and University employees.

To supplement [the University of Toronto Scarborough Guidelines for Alcohol Consumption and Reimbursement](#)ⁱⁱ.

To define reasonable expenditure of University resources for business purposes in particular, moderate consumption and price point, and provide clear limitations to Department Heads for the purchase of alcoholic beverages for business purposes.

The University of Toronto's Alcohol Policy (2003)ⁱⁱⁱ, Guide to Financial Management, and Broader Public Sector Directives^{iv} with regards to reimbursable expenditures must be adhered to when planning and purchasing alcohol and meals for business entertainment.

Allowable Entertainment and Hospitality Expenses

Entertainment of non-University employees

When planning activities to host or entertain external clients, partners, and other groups, the following should be considered:

- whether the activity and expenditure are necessary to achieve the business objective
- if there is an eligible source of funding for the activity and expenditure
- if the selection of the venue for the activity is consistent with funding and cost reasonability (see below for guidelines on cost reasonability)
- whether the attendees participating in the activity are directly involved in the business purpose

As per the GTFM, business entertainment of non-University employees should be limited to the cost of meals and beverages furnished in a hotel dining room or restaurant of equivalent quality. If alcohol is provided, moderate consumption and price point is the standard i.e. not exceeding 30% of the total bill and chosen from the less expensive options/offers.

Where guests are accommodated at UTSC expense, alcohol consumption will be reimbursed only if claimed by the UTSC hosts as outlined in the guidelines. Refer to University of Toronto Alcohol Policy and UTSC Beverage Services for more information on campus alcohol policies. The University will not cover alcohol consumed by non-university employees outside of a UTSC event or meeting e.g., hotel room. In researching comparable policies concerning business entertainment at UTSC^v (as outlined above^{vi} and other Canadian universities^{vii}), the following standards for moderate consumption and price points have been developed.

Consumption and price point are expected to be moderate and reasonable and include alcohol costs as per guidelines below. These limits are meant to provide a maximum allowable reimbursement range for actual costs of business entertainment and are not intended to replace existing per diem rates. The allowable range was established through comparison of business class hotel restaurants and similar class restaurants, the ranges are subject to change to account for inflation.

	Acceptable maximum Range*	Guidelines on Alcohol Consumption
Breakfast	\$15.00 - \$30.00	n/a
Lunch	\$20.00 - \$50.00	1 drink per person
Dinner	\$45.00 - \$100.00	2 drinks per person

* **Incl. of tax, gratuities, and alcohol**

As an example, a dinner hosted to entertain an external guest by a department head to foster a business partnership should be budgeted at a maximum of \$100.00 per person inclusive of gratuities, tax, and alcohol. In exceptional circumstances, *if it is anticipated that the maximum limit will be exceeded, pre-approval and justification are required, and contingent on departmental budget availability.*

Claims for business entertainment expenditures require itemized receipts, proof of payment, rationale, brief documentation regarding the business relationship of the persons entertained, and a list of participants. Alcohol expenditures should be totaled and listed separately.

Entertainment of University employees

As per GTFM, the cost of entertaining fellow University employees in person is generally not reimbursable unless it is for occasional circumstances, or business related. Occasional events can occur annually or once per term (3 annually) as a maximum.

Normally the cost of entertaining fellow University employees is not reimbursable, except in unusual/special circumstances. Such circumstances would include time limitation (extended work day), the nature and sensitivity of matters to be discussed, employee promotion or job performance (job well done), and employee retirement. A full explanation of the business purpose must be given on the expense report and one-up authorization should be received prior to the special circumstance if amounts will exceed recommended range.

When planning activities involving predominantly University employees, responsible and prudent use of funds should be considered when choosing appropriate venues and time of the event. Maximum allowable limits per person should align with rates noted above (for non-University employees), depending on meal, and availability of funds. Rationale is required and one-up authorization must be secured in advance if the amounts will exceed recommended range and/or if alcohol is being served.

ⁱ <http://finance.utoronto.ca/policies/gtfm/>

ⁱⁱ https://hive.utsc.utoronto.ca/public/dean/policies%20guidelines/UTSCGuidelines_AlcoholConsumption_Reimbursement_Rev11Oct2017.pdf

ⁱⁱⁱ <http://food-beverage.utoronto.ca/beverage-services/university-alcohol-policy>

^{iv} <https://www.ontario.ca/page/broader-public-sector-accountability>

^v <https://hive.utsc.utoronto.ca/public/dean/academic%20administrators/Academic%20HR/GuidelinesforReimbursementofSearchandMovingCostMay2012.pdf>

^{vi} <https://www.mcgill.ca/financialservices/policies/reimburse/hospitality-entertainment;>
<https://www.queensu.ca/secretariat/policies/finance/hospitality;>
https://www.uwo.ca/univsec/pdf/policies_procedures/section2/mapp216_procedure.pdf
<https://finance.ubc.ca/expenditure-guidelines/hospitality-entertainment-meetings>