

Applies To:

Title:	MICHR Guidance: Use of Department Funds for Hosting	Guidance Number:	MICHR-OPS-OFC02
		Version:	2.0
Approve Date:	10.21.2024	Effective Date:	10.21.2024
Review Date:		Revision Date:	

Purpose:

The Michigan Institute for Clinical & Health Research (MICHR) shall maintain guidance regarding hosting and related expenses that will be paid using departmental funds. MICHR seeks to be transparent and consistent in practices regarding all hosting activities. All hosting must have a valid business purpose that supports or advances the university's goals, objectives, and mission, and the expense should be necessary, reasonable, and appropriate. This document outlines the process for approving food (hosting) at a MICHR event.

Scope:

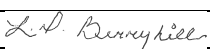
This guidance applies to all MICHR staff and faculty.

Definitions:

- The U-M Standard Practice Guide Policies (SPG) for Travel and Business Hosting Expense Policy [507.10-1](#) defines business meals and business hosting as:
 - Business meals are taken with guests, colleagues, or donors during which focused business discussions take place. University representatives may be reimbursed up to the published limits on the Procurement Services website for approved, necessary, and reasonable business meal expenditures.
 - The university will reimburse faculty, staff, and students up to the published limits on the Procurement Services website for approved, necessary, and reasonable business hosting expenses if such activities are directly related to university business. University departments may recognize the efforts of their employees with group recognition functions. However, discretion should be used, and all events should be reviewed for appropriateness before the occasion.

MICHR Guidance:

- A [hosting request form](#) must be submitted at least seven (7) business days before any hosting event for which funding has yet to be allocated and must be approved by the MICHR Managing Director or Finance Manager.
- MICHR is supportive of reasonable hosting events for faculty and staff that:
 - Use University resources most efficiently.
 - Abides by all U-M SPG policies.
 - Minimize administrative burden through policy adherence.

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- d. Facilitate decisions within these guidelines.
3. All items included in this policy apply to expenses incurred using a P-Card, shortcode, or personal funds with the intent of being reimbursed from University / Department funds.
4. For all hosting events, the following should be considered during the planning process:
 - a. A valid business purpose
 - b. Availability of funds
 - c. Expected number of attendees
 - d. Total expected cost, including delivery and gratuity
5. The following documentation is required for all hosting events (regardless of purchase method). It needs to be submitted to the appropriate department employee in a timely fashion to facilitate reimbursement and/or reconciliation of the expenses:
 - a. List of attendees, title, affiliation to UM
 - b. Business purpose
 - c. Itemized receipts
 - d. Approved MICHR Hosting Request Form/email approval

Note: If required documentation is not provided, the hosting event may not be reimbursed, resulting in a personal expense.

Meals:

1. Breakfast, Snacks, Lunch, Dinner
 - a. There must be a substantial business purpose to provide food and drink at a meeting.
 - i. Breakfast is usually served between 7:30 and 9:00 a.m. and can only be provided for a full-day (8+ hours) event or an event that starts before 8:30 a.m.
 - ii. Morning snacks are usually served between 9:00 and 11:00 a.m. and can only be provided if the event does not serve breakfast or lunch.
 - iii. Lunch is usually served between 11:30-1:00 p.m.
 - iv. Afternoon snacks are usually served between 2:00 and 4:00 p.m.; the cost of lunch plus the afternoon snacks should be within the lunch price limitation.
 - v. Dinner is usually served between 5:00 and 8:00 p.m., and Hors D'oeuvres should be included in the cost.
2. Maximum amounts per person, including tax and tip, are as follows:

Breakfast	\$30.00
Lunch	\$30.00
Dinner	\$70.00
Alcohol (w/ dinner)	\$20.00

3. Hosting expenses should be charged to the appropriate shortcode or a PCard.
4. U-M is tax-exempt, and no taxes should be charged at any time. This [form](#) should be provided to ensure tax exemption.

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5. When placing a catering order, be conscientious of food allergies, restrictions, and the need for vegan/vegetarian options.

Event Types:

1. Employee Appreciation
 - a. Employee appreciation and recognition are acceptable University of Michigan business expenses within reason. Any costs related to employee appreciation must utilize discretionary funds. MICHHR employee recognition will include the annual MICHHR picnic, meet-and-greets, and retreat.
 - b. MICHHR staff gifts will be limited to one branded gift per year.
 - c. MICHHR tchotchkes and giveaways require approval from the Managing Director(s) before purchase.
2. Retirement
 - a. MICHHR supports acknowledging an employee's service to the department and University and will assist with funding up to \$2,000 for a celebration for any employee who officially retires from U-M. Any expenses related to retirement events must utilize discretionary funds.
 - b. Allowable expenses include lunch/dinner for the retiree team, family members, friends and a gift for the retiree.
 - c. Any gift over \$400 is taxable to the employee, and they need to acknowledge that.
 - d. Any deviation from the above must be pre-approved by the Managing Director(s).
3. Hosting cannot be used for:
 - a. Personal life events
 - b. People leaving the department
 - c. Programmatic holiday celebrations

Other considerations:

1. Traveling
 - a. University employees are generally not allowed to host other University employees while traveling. Procurement Services and the Medical School have approved the following guidelines to request an exception to this:
 - i. The Managing Director (s) must receive a Hosting During Travel Prior Approval Request at least two weeks before travel to allow time for review.
 - ii. The written request must include the following information:
 1. The travel details (dates, location, purpose of travel)
 2. Who will be present, including names, University titles, department
 3. Method of payment (list the P-Card holder's name or personal credit card holder's name)
 4. State the business purpose of the hosted event and explain why it needs to be during travel status, why it cannot occur in Ann Arbor, and why the per diem allowance cannot be used
 5. Type of meal that will be hosted (breakfast, lunch, dinner)
 6. Include the proposed budget and funding source

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7. Signature of the Managing Director(s)
 - iii. Business meal expenses, including non-alcoholic beverages, tax, and tips, should not exceed the maximum allowances listed above.
 - iv. Employees may not claim their per diem allowance.
 - v. Written approval must be submitted with the expense report.
 - vi. If hosting while traveling is approved, the approval must be included with all reimbursements related to the hosting event, and the employees in attendance must adjust the per diem accordingly.
 - vii. If the procedures above are not followed, the expense will be considered personal.
2. Gratuity / Tipping
- a. Gratuity/tipping at restaurants or delivery drivers is allowed using department funds. The gratuity/tipping guidelines are meant to be maximums, not a required amount.
 - b. Restaurant gratuity/tipping is limited to 20%. Anything over 20% will be considered a personal expense, regardless of payment method.
 - c. An automatic gratuity will be approved per the restaurant's assessment. If the bill includes an automatic gratuity/tip below 20%, additional tipping may be added, up to a maximum of 20% of the bill.
 - d. Food delivery / To-go gratuity/tipping is limited to 10%. Anything over 10% will be considered a personal expense, regardless of payment method.
 - e. For food delivery, tipping should be calculated using the cost of the food, not the cost of food plus the delivery charge.

Resources:

1. [Travel and Business Hosting Expense Policy | Standard Practice Guides - University of Michigan \(umich.edu\)](#)
2. [Procurement Travel and Business Hosting Guidelines](#)

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