

STANDARD PROCESS

Section B: Financial and Administrative Systems (FAS)/Business Practices
Number/Title: **B502/NCI-Frederick Meal/Light Refreshment Reimbursement Guidelines**
Date Issued: September 2003
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SP Contact: Operations Analyst II, FAS, 301-846-6952

I. Purpose

The Meal/Light Refreshment Reimbursement Standard Process (SP) provides guidelines related to the allowability of charging the cost of meals and light refreshments to the various prime contracts associated with NCI-Frederick when utilizing contract funds. These guidelines are provided to ensure compliance with federal guidelines and NCI-Frederick contract requirements when individuals engage in business-related meals (non-travel or conference-related).

II. References

FAR 31.205-51

General Expense Report <http://home.ncifcrf.gov/saic/bpdocs/ger.htm>

Policy and Procedure No. 204 “Meal/Light Refreshment Reimbursement”

III. Definitions

FAR: Federal Acquisition Regulations

FAS: Financial and Administrative Systems

FTR: Federal Travel Regulations

HR: Human Resources

IMPAC: International Merchant’s Purchase Authorization Card

SP: Standard Process

IV. Scope

This SP applies to all employees associated with NCI-Frederick when expenses are to be charged to any of the prime contracts reimbursed by the government.

V. Processes/Guidelines

A. Government/public funds are used to cover allowable expenses incurred on the NCI-Frederick contracts. The use of contract funds for the allowability of these costs is determined based on various regulations such as the Federal Acquisition Regulations (FAR; <http://www.arnet.gov/far/>) and the Federal Travel Regulations (FTR; <http://www.gsa.gov/ft/>).

B. When government and contractor personnel jointly attend a meeting in which light refreshments and/or meals are provided, care must be exercised to segregate the costs between contractor and government personnel. The contracts with NCI state that “no funds provided under this contract shall be used for reimbursement of travel expenses

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incurred by government employees.” Meal expenses are considered part of travel. The costs incurred for any government participant are considered unallowable against the contract, and cannot be reimbursed with appropriated funds.

1. Requirements for reimbursement of meal expense

The meal must serve a contract-related business purpose. Documentation is to include a short, but specific, description of the business topics discussed which clearly support the goals and objectives of NCI-Frederick. Generalizations, such as “discussed program operations,” are not appropriate descriptions. The documentation must include a listing of all attendees and their business affiliations. Receipts are required and should contain an itemized listing of what was purchased at the meal. Meals at which the employee is the only attendee are unallowable.

- a. All of the following criteria must be met in order for reimbursement to be made:
 - (1) Business meals are eligible for reimbursement only if contractor personnel attend the meal with individuals outside the NCI community. “Working meals” in which the only attendees are contractor employees are not eligible for reimbursement, even if the meal time period is the only available time for the attendees to meet and discuss business issues.
 - (2) The meal has to be of minor consequence to the meeting requirement.
 - (3) Attendance of the employee at the meal must be necessary for full participation.
 - (4) The employee is not free to take the meals elsewhere without being absent from essential formal discussions, lectures, or speeches concerning the contract-related business purpose.
 - (5) The expense of a meal must be reasonable. The following guideline is to be used as a determination for reasonableness: reimbursement for lunch is allowable up to \$18 per person and dinner up to \$32 per person. If the cost per person exceeds these allowable amounts, additional justification must be provided in order for reimbursement of excess cost to be considered.
 - (6) Alcoholic beverages are an unallowable cost to the contract (FAR 31.205-51). Employees are personally responsible for all costs associated with alcoholic beverages. This expense cannot be included as part of the allowable rates indicated above. A statement must be provided and confirmed that no alcoholic expenses are included on the request for reimbursement of the meal expense.
- b. The following are examples of allowable and unallowable meal expenses, based on the criteria set forth above:

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(1) Allowable

- (a) A collaborative lunch between a contractor employee and a visiting seminar speaker who is not a government employee is eligible for reimbursement if documentation is provided justifying the contract-related business purpose discussed and how it benefits the goals of the contract. The meal is limited to attendance by a maximum of three contractor employees.
- (b) Recruitment meal reimbursement is eligible for prospective employees and the hosting contractor staff member (limited to a maximum of two employees from the Program Area). All recruitment actions must be coordinated through the Human Resources (HR) Department for reimbursement of the meal to be considered.
- (c) A scheduled meeting associated with the goals of the contract, which takes place over an extended period of time (5 hours or more) qualifies for meal reimbursement. The agenda must include the working meal to satisfy the requirement that the meal is part of the business function. This meal cannot be a “spur of the moment” decision.

(2) Unallowable

- (a) Meal reimbursement will not be allowed when contractor personnel choose to go to lunch to continue a business discussion.
- (b) Meal expenses for government participants are not allowed in any situation.
- (c) Program or department meals associated with a staff meeting are not reimbursable.

2. Requirements for reimbursement of light refreshments

Light refreshments consist of coffee, tea, cookies, pastries, cake, punch, and other food provided in quantities that are not considered to be a meal. This type of expense is an unallowable contract expense. Exceptions exist for situations in which the supplies are medically necessary (such as refreshments provided to participants in blood donations or for authorized studies in which a volunteer provides a sample that requires fasting) as well as special events in which the purpose is to recognize employees. The cost is limited to \$2 per person or \$500, whichever is less. Requests for reimbursement associated with refreshments require documentation stating the purpose and how it relates to a medical necessity or recognition of employee(s) in order to be processed. All other requests will not be eligible for reimbursement.

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- a. **Allowable:**
Light refreshments for awards ceremonies
- b. **Unallowable:**
Light refreshments at seminars
- c. **Food or refreshments cannot be purchased when the purpose is to:**
 - (1) provide meals or snacks at staff meetings or seminars,
 - (2) get the participants acquainted and interacting,
 - (3) encourage participants to arrive on time,
 - (4) be an award,
 - (5) prevent participants from going to their offices for snacks and delaying their return to the training event, or
 - (6) reward employees for arriving punctually at their assigned duty location.

Any costs which are determined to fall outside these guidelines will be treated as unallowable costs and will not qualify for reimbursement. In the event that special funding has been provided to support the reimbursement request, such as gift funds, documentation of that funding source must be indicated.

3. Reimbursement procedure requirements

All meal-related and light refreshment expenses, other than those which are reimbursed via per diem while the employee is on official travel, should be submitted on a "General Expense Report" (see Sample General Expense Report, Attachment 2) to the Accounts Payable supervisor for review and approval prior to reimbursement. These expenses may not be reimbursed through the petty cash fund or International Merchant's Purchase Authorization Card (IMPAC), regardless of the dollar amount. General Expense Reports must be submitted within 90 days of the date the expense was incurred. The following items must be included on or attached to the General Expense Report upon submittal.

- a. Justification must include clear documentation to support the **contract-related business purpose**, served in such a way that if an independent person (i.e., auditor) reviews the documentation, it would be determined that the cost is allowable against the contract.
- b. **Receipts** must be attached to the General Expense Report. Receipts should contain an itemized listing of what was purchased at the meal.
- c. A **listing of all attendees and their business affiliation** must be attached to the General Expense Report.

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- d. If the cost per person exceeds the allowable limits of **\$18 for lunch or \$32 for dinner, additional justification must be provided** in order for reimbursement of excess cost to be considered.

C. Responsibilities

1. Individual

An individual is expected to exercise the same care in incurring business expenses that a prudent person would exercise in incurring personal expenses.

2. Program Area

It is the responsibility of the Program Area to provide adequate documentation, which should include detailed receipts, when submitting the request for reimbursement. Supervisors, or those individuals who have signature authorization, must review the meal reimbursement request for policy compliance and approve the request.

3. Financial and Administrative Systems (FAS)

It is the responsibility of FAS to review the request for reimbursement, determine its reasonableness and allowability, and to make the payment. If appropriate documentation or justification is not provided, FAS will return the General Expense Report to the Program Area for further action.

VI. Attachments

Attachment 1, Meal/Light Refreshment Reimbursement Guidelines Fact Sheet

Attachment 2, Sample General Expense Report for Meal Reimbursement

VII. Records

The FAS, Travel and Accounts Payable Departments will maintain all records.