

Provo City School District
Policy Series 6000 Finances and Operations



Policy No. 6270

Meals (other than travel) and Employee Appreciation

Purpose

The following policy is to be used for reimbursement of NON-travel related meal expenditures and employee appreciation expenditures. The intent of the policy is to provide guidelines for necessary business meals and occasional employee appreciation expenses and to the appropriateness of such expenditures. Internal Revenue Service rules prohibit the tax-free treatment of lavish or extravagant meals or entertainment. Excessive expenses could lead to tax penalties, additional taxable income to the employee, and required reimbursement to the institution under IRS rules.

The following guidelines should be used:

Gifts are of a personal nature and it is not appropriate to use public funds for gifts.

Recognition is appropriate as long as reasonableness and frequency are prudent. Gift cards or other cash equivalents used as appreciation must be reported as taxable income.

The IRS rules for reporting state “if your employer gives you cash, a gift certificate, or a similar item that you can easily exchange for cash, you include the value of that gift as extra salary or wages regardless of the amount involved.”

Necessary “business meals” are appropriate when:

- There is a bona fide and substantial business purpose
- The participants are actively engaged in School District business during the meal
- Appropriate and permissible funding sources are available
- Proper approvals are obtained prior to meal (see purchasing policy for proper approvals)
- The purpose of the expense must demonstrate good judgment
- The expense is properly documented (who, what, when, where, why)

Meals may be provided for meetings if the meeting is 5 hours or more and has an agenda. Meals must be pre-approved by the Director responsible for the budget being charged. Whenever possible, district child nutrition service should be used.

Meals of a reasonable nature may be provided to volunteers; however, meals may not be provided for spouses’ or other family members without superintendent approval.

Effective: July 1, 2012
Revised: April 17, 2018