Expense Allowability Grid

Related Policies: Hospitality and Entertainment of Non-Employees and Business Expenses. Updated: 6/11/2021, reformatted 3/18/2024.

Information on types of Funds is available in the University's Chart of Accounts.

(1) **Type of Funds: Non-sponsored Private** In this column, the answers apply unless the donor specifically prohibits the use of gift funds for the listed expenditure types.

(2) **Type of Funds: Sponsored** In this column, may be allowable on sponsored funds if included in proposal and approved by sponsor. Contact Sponsored Projects Administration (SPA) for specific sponsor guidelines and restrictions.

Expense Type	Conditions for Allowability	Nonsponsored Public Funds	Nonsponsored Private Funds 1	Nonsponsored non-current Funds	Sponsored Funds 2	Taxable to employee	Comments	Related Policy
Admissions to non-University charitable functions and events (see also "Tickets")	Event must have a clear mission, outreach, or business-related purpose.	**Not** allowed	Allowed	**Not** allowed	**Not** allowed	–	When purchased in the course of community engagement and development of key partnerships.	Related Policy: Business Expenses and Hospitality policies
Alcohol	Limited to non-sponsored private funds only. Must request and receive approval from the Risk Management Office in advance of the event. (See associated procedures)	**Not** allowed	Allowed	**Not** allowed	**Not** allowed	–	When purchased in the course of faculty/staff recruitment, donor relations, or to be served or sold at University events.	Business Expenses and Hospitality policies
	Limited to licensed venues.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	When purchased for the purpose of resale at licensed venues (Northrop, athletics events, etc.).	Business Expenses and Hospitality policies
Awards (employee)	**Length of service awards** -Should be consistent with HR-sponsored University catalog programs. See "University Employee Recognition Awards" Appendix for additional requirements.	Allowed	Allowed	**Not** allowed	**Not** allowed	Taxable to the extent the award does not meet requirements.	Tangible awards of personal property to recognize years of service. To report a taxable award or prize, email Payroll Services.	Business Expenses policy
	Retirement awards - See "University Employee Recognition Awards" Appendix for requirements.	Allowed	Allowed	**Not** allowed	**Not** allowed	Taxable to the extent the award does not meet requirements.	To report a taxable award or prize, email Payroll Services.	Business Expenses policy

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Campus Club departmental membership - annual dues, incremental usage expenses such as meals, room rentals	Used **ONLY** for bona fide, mission- related University business - no personal use may be charged to the U of M. Consider the activity when determining which funds to use.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	• Development/donor relations activities • Faculty/staff recruitment and retention • U-wide recognition and celebratory events.	Business Expenses and Hospitality policies
Charitable contributions or donations to charitable organizations or activities (Also see "Admissions" and "Memorials")	The University is itself a charitable, tax-exempt organization, and should not make contributions to other charitable organizations. (Campus Life and Registered Student organizations which occasionally raise or collect funds for charitable purposes may continue to do so.)	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	–	Business Expenses policy
Childcare expenses incurred by faculty or staff	–	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	Childcare expenses related to any function, event, or activity.	Business Expenses policy
Club memberships - Initiation fees, entrance fees, or "equity" payments	Some contractual exceptions may currently exist for a limited number of employees. In these instances, the University Tax Director and the Office of the General Counsel will meet with the affected employees to obtain tax and policy conformity.	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	Any function or activity.	Business Expenses policy
Dues for professional societies or organizations	**Dues when required** for the employee's job responsibilities or the academic discipline of the employee, department, or college.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	To further the University's mission and a recognition of the employee's skills and knowledge.	Business Expenses policy
	Dues when related to the employee's job responsibilities or the academic discipline of the employee, department, or college.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	Reimbursement or payment is dependent on departmental approval. Departments may approve if the membership enhances the employee's knowledge and skills, business justification must be presented to manager and budget available.	Business Expenses policy
	Dues when unrelated to the employee's job responsibilities or the academic discipline of the employee, department, or college.	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	–	Business Expenses policy

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Entertainment or expenses for 'involvement' in University events	Must be supported by adequate documentation that substantiates the business purpose of the expense. Must be reasonable, moderate, and occasional to the recipient. Maximum upper limit of $100 per person. For obtaining exceptions, please first obtain written support for an exception from your chief financial manager, and then contact controller@umn.edu.	Allowed (except for Alcohol - see Alcohol)	Allowed	**Not** allowed	**Not** allowed	–	• Development/donor relations activities • Faculty/staff recruitment and retention • U-wide recognition and celebratory events.	Business Expenses and Hospitality policies
Flowers	Must not exceed $150.	**Not** allowed	Allowed	**Not** allowed	**Not** allowed	–	As a recognition of deceased employees, members of the University governing boards or their spouse, donors, and others who are significant to the University as determined by the college, department, or administrative unit.	Business Expenses and Hospitality policies
	Gifts in lieu of flowers at family's request - Must not exceed $150 (includes the cost of flowers only) and must be to bona fide charities or nonprofit organizations (NOT given directly to the family); expense approval subject to normal departmental or collegiate authorization.	**Not** allowed	Allowed	**Not** allowed	**Not** allowed	–	As a recognition of deceased employees, members of the University governing boards or their spouse, donors, and others who are significant to the University as determined by the college, department, or administrative unit.	Business Expenses and Hospitality policies
Food	**Food: business meals** (employees only) Infrequent in nature and must follow the *Processing, Documenting, and Approving Financial and Accounting Transactions* policy. Rates for business meal meetings may be reimbursed up to $35 for breakfast, $35 for lunch, and $75 for dinner (all amounts include food and beverages only).	Allowed (except for Alcohol - see Alcohol)	Allowed	**Not** allowed	**Not** allowed	–	Business meal expenses are not appropriate when for general discussion or routine in frequency (for example, business meal expenses during meetings with two employees would be unallowable).	Business Expenses policy
	Food: hospitality meals (includes non-employee attendees) Non-employee attendees must be integral to the purpose of the meeting. Must not exceed $125 per person (includes food and beverages only).	Allowed (except for Alcohol - see Alcohol)	Allowed	**Not** allowed	**Not** allowed	–	Examples include recruitment, donor relations, lectures or presentations. Not appropriate if the external party is under contract to provide ongoing services to the University.	Hospitality policy
	Food: refreshments and related incidental expenses - Must be occasional and modest in amount.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	To accompany business meetings and retreats, staff and student development or recognition events, or community building.	Business Expenses and Hospitality policies

Expense Type	Conditions for Allowability	Nonsponsored Public Funds	Nonsponsored Private Funds 1	Nonsponsored non-current Funds	Sponsored Funds 2	Taxable to employee	Comments	Related Policy
Gifts	**Non-employee gifts** - Must not exceed $100. Must use allowable type of funds.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	As recognition to donors, members of governing boards, volunteers, and University supporters.	Hospitality policy
	Employee gifts – (gift certificate) Must not exceed $100. Must use an allowable type of funds.	Allowed	Allowed	**Not** allowed	**Not** allowed	All denominations of gift cards / certificates are taxable. The only exception is a coupon for a specific item of personal property. For example, a coupon for a free t-shirt is not subject to tax.	As recognition of performance. To report a taxable award or prize, email Payroll Services.	Business Expenses policy
	Employee gifts – (tangible personal property) Must not exceed $100 When intended for length of service, should be consistent with the University's catalog programs.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	As recognition of performance.	Business Expenses policy
Greens fees and related business golf outing expenses	Reasonable, prudent, occasional, and moderate expenses. Must be supported by adequate documentation that substantiates the business purpose of the expense.	**Not** allowed	Allowed	**Not** allowed	**Not** allowed	Taxable if adequate documentation is not provided.	Limited to development/donor relations activities. To report a taxable award or prize, email Payroll Services.	Hospitality policy
Incremental usage expenses at other venues – facility rentals, other expenses for use of the venue or space (excluding greens fees)	Must be supported by adequate documentation that substantiates the business purpose of the expense. Reasonable, prudent, and moderate expenses.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	• Development/donor relations activities • Faculty/staff recruitment and retention • U-wide recognition and celebratory events.	Business Expenses and Hospitality policies

Expense Type	Conditions for Allowability	Nonsponsored Public Funds	Nonsponsored Private Funds 1	Nonsponsored non-current Funds	Sponsored Funds 2	Taxable to employee	Comments	Related Policy
Memberships (Donated to the University for use by executive officers)	Must be supported by adequate documentation that substantiates the business purpose of the expense. Some contractual exceptions may currently exist for a limited number of employees. In these instances, the University Tax Director and the Office of the General Counsel will meet with the affected employees to obtain tax and policy conformity. Used ONLY for bona fide, University business. The value of membership dues gifted to the Institution that relates to personal use must be imputed and added to compensation of executive who benefits (IRS regulations relating to taxable fringe benefits).	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	Taxable if used for personal activities.	• Development/donor relations activities • Faculty/staff recruitment and retention • U-wide recognition and celebratory events. To report a taxable award or prize, email Payroll Services.	Business Expenses and Hospitality policies
Other expenses which could be perceived as personally benefiting individuals, extravagant or subject to public scrutiny, including but not limited to: • Entertaining a particular guest or donor on multiple occasions • Travel or expenses for non- University functions or meetings (such as charity events) that are unrelated to the mission and purpose of the unit considering the expenditure) • Entertainment expenses not covered elsewhere in this matrix	–	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	Any function or activity.	Business Expenses and Hospitality policies
Parking charges- (visitor, volunteer, staff)	Normal staff parking expenses (daily, monthly contract, etc.) are not allowable or reimbursable.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	For parking related to a bona fide University business purpose, such attending an off-campus meeting.	Business Expenses and Hospitality policies

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Personal memberships to Clubs (annual dues/ membership fees)	–	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	Any function or activity.	Business Expenses and Hospitality policies
Political contributions and fundraisers	–	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	Any function or activity.	Business Expenses and Hospitality policies
Recognition (University-sponsored) or reception events	Which are on University property, at staff residences, or at reasonably priced off-campus facilities; refreshments or meals provided by University Dining Services when applicable, or by moderately priced caterer; Use of internal University providers is encouraged. Events not meeting these criteria are limited to Foundation or other non-sponsored private funds.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	Must follow thresholds in applicable policies.	Business Expenses and Hospitality policies
Recruiting expenses for faculty and staff (see also "Spouse, Partner, Guest Expenses")	–	Allowed	Allowed	**Not** allowed	**Not** allowed	–	–	Business Expenses and Hospitality policies
Refreshments and related incidental expenses	Must be occasional and modest in amount.	Allowed	Allowed	**Not** allowed	**Not** allowed	–	To accompany business meetings and retreats, staff and student development or recognition events, or community building.	Business Expenses and Hospitality policies
Retirement	**Retirement with less than 5 years of service** - Should be consistent with HR- sponsored University catalog programs. See "University Employee Recognition Awards" Appendix for additional requirements.	Allowed	Allowed	**Not** allowed	**Not** allowed	Taxable to the extent the award does not meet requirements.	De minimis limit must be followed for gift of personal property. To report a taxable award or prize, email Payroll Services.	Business Expenses policy
	Retirement with 5 years or more of service - See "University Employee Recognition Awards" Appendix for requirements.	Allowed	Allowed	**Not** allowed	**Not** allowed	Taxable to the extent the award does not meet requirements.	The amount spent for gift of personal property should be reasonable based on time of service with the University, may not exceed $400. To report a taxable award or prize, email Payroll Services.	Business Expenses policy

Expense Type	Conditions for Allowability	Nonsponsored Public Funds	Nonsponsored Private Funds 1	Nonsponsored non-current Funds	Sponsored Funds 2	Taxable to employee	Comments	Related Policy
Social events such as birthdays and holiday parties	–	**Not** allowed	**Not** allowed	**Not** allowed	**Not** allowed	–	Any function or activity.	Business Expenses and Hospitality policies
Spouse, partner, guest expenses for travel and entertainment for "involvement" in University events	Must be supported by adequate documentation that substantiates the business purpose of the expense. Spouse travel should be occasional, reasonable, prudent, and moderate in amount. Travel expenses for spouses, partners or guests must follow University travel policies and procedures. Expenses must be approved by the next higher supervisor using "one-up" approval.	Allowed	Allowable as noted unless the donor specifically prohibits the listed expenditure types.	**Not** allowed	**Not** allowed	–	• Development/donor relations activities • Faculty/staff recruitment and retention	Business Expenses and Hospitality policies
Tickets to sporting, theater, music, and student events	–	Allowed	Allowed	**Not** allowed	**Not** allowed	Exempt if occasional Taxable to the individual if season tickets.	• As a recognition gift for employees • Development/donor relations activities • As part of a program of academic study To report a taxable award or prize, email Payroll Services.	Business Expenses and Hospitality policies
Valet parking	Reasonable, prudent, occasional, and moderate expenses. Must be supported by adequate documentation that substantiates the business purpose of the expense.	**Not** allowed	Allowed*	**Not** allowed	**Not** allowed	–	*Allowable as noted unless the donor specifically prohibits the listed expenditure types.	Hospitality policy
Violations of law - vehicle towing, traffic/parking tickets, and other related violations expenses	–	**Not** allowed, see comment.	**Not** allowed	**Not** allowed	**Not** allowed	–	University Fleet Services may charge departmental non-sponsored or private funds for motor vehicle tickets and fines assessed to University-owned vehicles, but **ONLY** if they cannot identify or collect from the person who was driving the vehicle when the violation occurred.	Business Expenses and Hospitality policies