

Oklahoma State University Policy and Procedures

PURCHASE OF FOOD AND NON-ALCOHOLIC BEVERAGES ON SPONSORED PROJECT FUNDING

**3-0420
ADMINISTRATION
& FINANCE
November 2018**

Introduction

1.01 In order to meet the goals and objectives of a sponsored project, it may be necessary to purchase food and/or non-alcoholic beverages. This policy provides general guidelines for the purchase of those items in support of a sponsored project.

1.02 Definitions

- A. “Sponsored program” refers to any Oklahoma State University (OSU) program of instruction, research, or outreach that is funded/sponsored in whole or in part by an outside “sponsor.” The outside sponsor may be a federal, state, or private entity. The sponsor stipulates and approves the specific use of any funding expended during the course of the sponsored project.
- B. “Food” is used interchangeably to represent food, non-alcoholic beverages, meals, snacks, or any combination thereof, provided to others by OSU and sponsored in whole or in part by an outside entity.
- C. “Food item” is used to represent items needed for demonstration or other specialized or specific use in support of a project, but the “food item’s” purpose is not specifically intended for consumption, unless for food testing purposes.

Policy

2.01 OSU has specific rules for food/food item expenditures, and the University is clear in declaring that food/food item purchases are generally not allowed. Sponsored programs follow federal guidance which also specifically disallows the purchase of food or food items for entertainment purposes. In some cases, however, a sponsor may specifically allow for the purchase of food or food item.

3.01 Allowability - The first test for determining allowability is an explicit budget/statement of work and proposed expense disclosed under a line item of the budget/statement of work and approved by the sponsoring party. If the food/food item does not appear in the budget/statement of work, then inquiries must be conducted to determine if the item is allowable under specific re-budgeting authority granted by the agency or sponsor, or if the food/food item may be allowable if prior approval is obtained in writing from the agency. If the budget/statement of work has not been incorporated or incorporated by reference into the award document, then the allowability of the food/food item purchases will be determined in accordance with allowable Federal cost principles.

4.01 Procedure - While food/food item purchases may seem a legitimate and necessary expense for the completion of a sponsored project, food/food items will be considered an unallowable expense unless the following conditions are met:

- A. The budget/statement of work for the project specifically reflects food/food item as a line item,
- B. The sponsor approves the budget/statement of work that allows for the purchase of food, or
- C. The sponsoring agency grants specific prior approval to OSU for the purchase of food in an effort to complete the sponsored project. This may be accomplished by:
 - 1. Including “Refreshments and/or meals for participants” and/or “Food items for research or demonstration” in the proposed statement of work.
 - 2. Written directive from the sponsor authorizing the purchase of food.

5.01 Sponsored Activities that may benefit from approved Food/Food Item Purchases - If properly approved, the following is a list of activities that, in the broadest sense, may allow for sponsor-provided food purchases.

- A. Instruction or Outreach
 - 1. Instructional or Outreach activities may require the purchase of food items.
 - a. Food and supplies for preparation and serving food for consumption should include specific terminology or language in the budget or statement of work that can be reasonably interpreted to infer the purchase of food: I.E., “Food, prepared or unprepared, and supplies necessary for preparing and serving food for consumption during the course of instruction/demonstration.”
 - b. Food items needed for instruction or demonstration but not specifically intended for refreshment/consumption. Include specific terminology or language in the budget or statement of work that can be interpreted to reasonably infer the purchase of food items: I.E., “Food items not intended for consumption but necessary for testing, demonstrating, or supporting the sponsored program.”
 - c. Food items needed for instruction or outreach not specifically intended for refreshment, but possible consumption to test food safety, palatability, texture, age labeling, cautions required, etc. Include specific terminology or language in the budget or statement of work that can be interpreted to reasonably infer the purchase of food items: I.E., “Food items necessary for testing, marketing, labeling, or supporting the sponsored program.”

2. Research activities may require the purchase of food items.
 - a. Food and supplies for preparation and serving food for consumption and include specific terminology or language in the budget or statement of work that can be reasonably interpreted to infer the purchase of food: I.E., “Food, prepared or unprepared, and supplies necessary for preparing and serving food for consumption during the course of instruction/demonstration.”
 - b. Food items needed for instruction or demonstration but not specifically intended for refreshment/consumption. Include specific terminology or language in the budget or statement of work that can be interpreted to reasonably infer the purchase of food items: I.E.. “Food items not intended for consumption but necessary for testing, demonstrating, or supporting the sponsored program.”
 - c. Food items needed for research but not specifically intended for refreshment. Include specific terminology or language in the budget or statement of work that can be interpreted to reasonably infer the purchase of food items: I.E., “Food items necessary for researching new foods and testing food for research purposes on a sponsored program.”

B. Grant/Contract Travel Status

1. Typically, any food purchased while in travel status is reimbursed under State/University Travel policies. Likewise, budgeted and approved travel for a sponsored project is reimbursed to the employee under the same policies. However, if a group of students is participating in travel planned and conducted under a grant or contract, meals for the students may be purchased under the following circumstances:
 - A) the meal(s) are authorized by the grant or contract
 - B) the student is not being reimbursed for the meal(s) under OSU/State Travel Policies
 - C) any fees collected from the students for the purpose of the trip that included a provision for food are properly recorded
 - D) a listing of the participants is maintained and available for audit/sponsor review.

C. Conferences:

1. For OSU conferences funded in whole or in part by a grant or contract, the following conditions apply regardless of whether or not the conference charges a fee for attendance:
 - a. The grant or contract must specifically authorize the purchase of food intended for consumption,
 - b. A brochure or agenda specifically notes that breaks and meals are provided as part of the conference or meeting, and

- c. A listing of attendees or general description of the group attending is recorded, maintained, and available for audit/sponsor review.
 2. OSU employees attending a conference as a paid or “complimentary” attendee on their home campus are not considered in travel status. Thus, the employee is not entitled to reimbursement for meals. However if the local campus conference does provide a meal as a benefit of attendance, the employee is entitled to the meal provided.
 3. The budget/statement of work presented to the sponsor must have a line item for food or specifically mention that food is part of the conference services.
- D. Training:
 1. A staff development retreat (OSU Policy 1-1204), funded in whole or in part by a sponsor, may allow for the purchase of food. A listing of participants or a description of the group served must be recorded and maintained and available for audit review.
 - a. The budget/statement of work presented to the sponsor must have a line item for food or specifically mention that food is part of the development or training services.
- E. Professional Development
 1. Professional Development refers to training or career development provided by OSU to individuals not employed by OSU. Professional development performed under the direction of a grant or contract may purchase food if authorization for the purchase of food is given in the grant or contract. A listing of the individuals participating in the training should be maintained and included in the invoicing process.
- F. Advertised Public/Community Events/Casual Participation:
 1. There are occasions when sponsored events are planned and attendance is of general campus or community participation. Such is the case where a lecture or presentation may be of broad appeal and does not target a specific or registered listing of participants. A grant or contract may sponsor such a community event or activity.
 - a. Food may be purchased for the event if the grant or contract authorizes the purchase of food.
 - b. With community events it may be impractical to gather a listing of attendees. In such cases a document stating the general make-up of the audience or participants is sufficient documentation. Documentation must be maintained and available for audit review.
 2. The budget and/or statement of work presented to the sponsor must have a line item for food or specifically mention that food is part of the event.

G. Alcoholic Beverages

1. The purchase of alcohol with University funds or sponsored funds is prohibited with rare exceptions. These exceptions usually relate to essential research or instruction endeavors:
 - a. Alcoholic beverages are central to the research endeavor. (Example: Effects of Wine on Coronary Heart Disease),
 - b. A budget and/or statement of work is submitted, and the sponsor specifically approves the purchase, and
 - c. Specific language is included within the budget/statement of work defining the need for alcohol purchased and used within the scope of the study.
2. If alcohol or alcohol related services are purchased for a sponsored event and “open access” is given to the participants and the food and beverage invoices are commingled, no food/beverage charges for the conference or event will be paid through University or sponsored funds unless the alcohol related purchases are itemized.

4.01 Food purchased without a sponsor’s informed approval will not be billed by the University for reimbursement when state or federal regulations require sponsor approval for the purchase of food on a sponsored project.

- A. If food is needed to complete a sponsored project but the original budget/statement of work did not specify food, the following conditions must be met:
 1. The sponsor approves an increase to the original budget/statement of work and approves the purchase of food prior to the purchase. The approval and budget/statement of work increase must be formalized in writing by the sponsor prior to the purchase.
 2. The college must obtain sponsor approval to revise budget/statement of work and make the necessary budget revisions or statement of work changes before submitting charges for reimbursement.

Revised: November 2018