



**Purpose and Scope**

The University of Toronto's Alcohol Policy (2003)<sup>1</sup>, Guide to Financial Management, and Broader Public Sector Directives,<sup>2</sup> with regards to reimbursable expenditures, must be adhered to when planning and purchasing meals and/or alcohol for business entertainment.

The purpose of these guidelines is to supplement the University's Guide to Financial Management (GTFM)<sup>3</sup> Travel and Other Reimbursable Expenses - Policies and Guidelines for the [Entertainment of non-University employees](#) (e.g. clients, partners, and other external groups) and University employees.

Additionally, these guidelines supplement University of Toronto Mississauga Policy on Alcohol Expense<sup>4</sup>.

These guidelines are also applicable to business hospitality events catered by internal or external vendors that invoice UTM directly (i.e., maximum price ranges, prior approval if alcohol is served at internal special events, prior approval if anticipated that the maximum limit will be exceeded, prior approval for other entertainment activities e.g., golf, tennis, etc. even if the vendor will invoice UTM directly).

**Responsible and prudent use of public funds should be considered when requesting reimbursement.**

**Allowable Entertainment and Hospitality Expenses**

Entertainment of non-University employees

When planning activities to host or entertain external clients, partners, and other groups, the following should be considered:

- whether the activity and expenditure are necessary to achieve the business objective
- if there is an eligible source of funding for the activity and expenditure
- if the selection of the venue for the activity is consistent with funding and cost reasonability (see below for guidelines on cost reasonability)
- whether the attendees participating in the activity are directly involved in the business purpose

Consumption and price point are expected to be moderate and reasonable as per guidelines below and follow the alcohol costs as described in the UTM Policy on Alcohol Expenses<sup>4</sup>. These ranges are meant to provide the maximum allowable reimbursement for actual costs of business entertainment and are not intended to replace existing [per diem rates](#) for travel. The allowable range was established through a comparison of business class hotel restaurants and similar class restaurants and the ranges are subject to change to account for inflation.

Type of Meal	Acceptable maximum Range*/person
Breakfast	\$15.00 - \$30.00
Lunch	\$20.00 - \$50.00
Dinner	\$40.00 - \$80.00

\* **Includes alcohol, excludes tax and tip**

As an example, a dinner hosted to entertain an external guest by a Department Chair / Institute Director (e.g., Vice-President, Dean, Chief Administrative Officer, Chair, Executive Director, etc.), to foster a business partnership should be budgeted at a maximum of \$80.00 per person inclusive of alcohol, and exclusive of tax and tip. In exceptional circumstances, **if it is anticipated that the maximum limit will be exceeded, pre-approval and justification are required by the Department Head or Department Chair / Institute Director, and contingent on departmental budget availability.**

Entertainment of a different variety, i.e., golf, tennis, athletic events, theatre productions, etc. requires the prior approval of the Department Head or the Department Chair/ Institute Director and the cost should be reasonable.

Claims for business entertainment expenditures require itemized receipts, proof of payment, rationale, brief documentation regarding the business relationship of the persons entertained, and a list of participants. Alcohol expenditures should be totaled and listed separately.

Entertainment of University employees

As per GTFM, the cost of entertaining fellow University employees in person is generally not reimbursable unless it is for business purposes or for an internal special social event (seasonal functions (e.g., holiday parties, annual picnic), extraordinary service or retirement gatherings, awards and recognition ceremonies). A full explanation of the business purpose must be given on the expense report and one-up authorization should be received.

When planning activities involving predominantly University employees, responsible and prudent use of funds should be considered when choosing appropriate venues and time of the event. Maximum allowable ranges per person should align with the rates in the table below, depending on the type of meal, and availability of funds. Business rationale is required and authorization by the Department Head or Department Chair / Institute Director must be secured, in advance, if the amounts will exceed recommended range and/or if alcohol is being served. (See note below)

Type of Meal	Acceptable maximum Range*/person
Breakfast	\$15.00 - \$30.00
Lunch	\$20.00 - \$50.00
Dinner	\$40.00 - \$80.00

\* **Includes alcohol, excludes tax and tip**

Note:

*UTM permits alcohol as a reimbursable expense only for internal special social events involving predominantly University employees. For example: seasonal functions (e.g., holiday parties, annual picnic), extraordinary service or retirement gatherings, awards and recognition ceremonies.*

Activities that are **not** reimbursable include:

- *Regular internal UTM meetings or working sessions, such as lunch meetings or seminars.*
- *Alcohol consumed by employees when away, for example at conferences, courses, or professional development sessions.*

Entertainment of a different variety, i.e., golf, tennis, athletic events, theatre productions, etc. requires the prior approval of the Department Head or the Department Chair/ Institute Director and the cost should be reasonable.

<sup>1</sup> <http://food-beverage.utoronto.ca/beverage-services/university-alcohol-policy>

<sup>2</sup> <https://www.ontario.ca/page/broader-public-sector-accountability>

<sup>3</sup> <https://finance.utoronto.ca/policies/gtfm/>

<sup>4</sup> <https://www.utm.utoronto.ca/business-services/media/625/download?inline>