November 7, 2017

To: Chief Financial Managers, RRC Contacts, Deans, Chancellors, and Department Heads

From: Suzanne Paulson, Assistant Controller

Re: Hospitality Expenses and Holiday Parties

I am writing to reiterate the University's policy regarding the allowability and proper accounting for hospitality expenses and holiday parties.

Under University of Minnesota policy "Hospitality and Other Special Expenses", expenses for bona fide University hospitality activities, such as donor relations activities or employee recognition events, may be charged to University funds in accordance with the Hospitality policy "Expense Allowability Grid". These expenses require additional documentation and substantiation to meet IRS requirements, audit standards, and the test of public scrutiny. If your unit has held hospitality events in the last 30 days, please ensure that the documentation requirements are clearly met.

The cost of holiday parties is never an allowable expense under University policy. No expenses for holiday parties can be charged to, or reimbursed from, any type of University funds, public (such as O&M or sponsored) or private (gifts). Events held solely to celebrate any of the seasonal holidays should be paid for by employees from their own personal funds. If your unit has inadvertently recorded a bona fide hospitality event as a holiday party, or incorrectly charged the University for a holiday party, please take action to promptly correct the accounting or reimburse the University, as appropriate.

For your reference, the Hospitality Policy, the Expense Allowability Grid, and the documentation requirements and procedures can be found at the following websites:

http://policy.umn.edu/finance/hospitality

http://policy.umn.edu/sites/policy.umn.edu/files/appendix/hospitality_appb.pdf

https://policy.umn.edu/finance/hospitality-proc01

If you have any questions, please do not hesitate to contact the University Financial Helpline at 612-624-1617 for assistance.