

Employee Morale-Building Event Expenditures



Last Updated:

07/02/2014

Effective Date:

07/02/2014

Responsible University Office and Contact Person:

Office of the Sr. Vice President and Provost

Kathy Warden

Policy Number:

06.00.12

Preamble:

In order for the University of Oregon to build employee morale and also remain fiscally responsible the university has adopted the following policy regarding expenses for employee morale-building events. Funding limits on the addendum will be reviewed and updated as appropriate.

REASON FOR POLICY:

This Policy Statement's purpose is to state the amount of university funds allowed for expenses incurred by a University of Oregon (UO) unit for employee morale-building activities and ensure good stewardship of funds, regardless of source.

DEFINITIONS:

Alcoholic Beverages: Beer, wine, or any beverage containing distilled spirits.

Employee in Good standing: An employee who has no disciplinary actions or sanctions against them when leaving their UO position.

Farewell Event: Event honoring an employee who is leaving a university unit for an internal position, or leaving the university but not given the retired status by Human Resources. The employee must have been employed at least five years in the position he or she is leaving.

Light Refreshments: Light refreshments include coffee and other beverages, snacks, hors d'oeuvres, pastries, cookies, crackers, chips, fruit, etc.

Meal: A catered or restaurant-provided breakfast, lunch, or dinner. Groceries and beverages purchased for an event may also be charged as a meal/meals. Note that under current university guidelines, pizza is considered a Meal.

Service Awards: Cash or non-cash awards to honor length of service (including farewell) or retirement.

Retired UO Employee: An employee who indicates he/she is retired and is eligible, either by age or years of service, to take a distribution from a UO retirement program.

Retirement Event: Event honoring a retired UO employee. The employee must have been employed for a minimum of five years at the University of Oregon.

University funds: Includes education and general funds. There are policy restrictions associated with education and general funds.

University unit: A University of Oregon college, school, department, office, center or any other organization within the institution.

POLICY STATEMENT:

University Policy Statements are interpreted in the context of University of Oregon Board of Trustees Policies, State of Oregon Law, and Federal Law.

APPROVED AS INTERIM POLICY

The university may pay for or reimburse costs for meals or light refreshments associated with official employee morale-building and appreciation activities that serve a university business purpose. Examples of such occasions include a gathering to honor a

departing employee who is retiring or who is separating from employment with the university after at least 5 years of service, employee recognition receptions, annual faculty/staff picnics, new employee receptions, and holiday gatherings.

Under no circumstances may university funds be used for occasions such as employee birthdays, weddings, anniversaries, farewell gatherings (excluding celebrations for retirement or farewell events defined in this policy) or other occasions of a personal nature.

Two annual university events are held for 1) years of service recognition and for 2) retirement recognition. The Human Resources department is responsible for organizing the annual events and for ensuring employees are recognized. University units may also honor qualifying employees in a separate retirement event and must adhere to the standards set in this policy.

Fund restrictions:

Education and General Funds (BANNER Fund Type 11) may not be used to provide refreshments or facilities for voluntary social events, either off-site or on-site, such as retirement or farewell celebrations. However, other University funds may be used for those expenses and must adhere to the standards set in this policy.

Allowances for food and facilities:

The maximum per-person expenditures for meals furnished by the university, both on and off campus, at a morale-building event are restricted to 1.5x the current UO travel meal per diem. Alcohol is allowable up to 2 times the current beer or wine per serving cost per person.

Light refreshments allowable up to 50% of the lunch per diem rate.

The maximum per-person expenditures listed does not include labor, delivery charges, and other service fees, room rental, room setup

fees, media rental, decorations, furniture rental (such as tables, chairs, stage), etc.

If a reception before a meal includes beverages and hors d'oeuvres, the combined charges for the reception and the meal should be treated as a single event for purposes of calculating per person costs.

Allowance for Retirement or Farewell Gifts (Non-Cash)

- An item of tangible personal property may be presented to an employee upon his or her retirement or farewell.
- An employee retiring must have been employed at the university for a minimum of five years and designated retired by Human Resources.
- In the event that a unit would like to give a farewell gift to an employee leaving the unit but not retiring, the employee must have been in the position they are leaving for a minimum of five years.
- The employee must be in good standing when leaving the university or unit.
- Maximum gifts values are reflected on the addendum.
- The gift must be awarded as part of a meaningful ceremony, and should not be determined based on an employee's classification.
- If the non-cash gift is existing university property (e.g., an office chair) then BAO Surplus Property must be consulted prior to gifting.

Under no circumstances are university funds allowed for gift expenditures in connection with birthdays, weddings, anniversaries, holidays, graduations and other occasions of a personal nature.

- Cash and non-cash awards are not included in the employee's base salary.
- Employee(s) may receive a cash or a non-cash award, or a combination of the two.
- Cash awards are processed through the payroll system and are subject to taxation as income.
- Non-cash awards valued under \$400 are excluded from taxation. The \$400 limitation is an annual exemption for a single employee each calendar year.

Responsibilities:

Department Heads (or equivalent authority) have the authority to approve the reimbursement of meals, light refreshments, and other expenses permitted under this policy. Approval responsibility includes:

- Ensuring that expenditures for meals, light refreshments, and related expenditures comply with university policy and fund source restrictions.
- Ensuring that appropriate documentation is provided to substantiate such expenditures.
- Ensuring that procedures for hosting events with alcohol are followed.

University department heads must ensure that expenditures are in alignment with the university's priorities, mission, and the guidelines set forth in this policy. If the cost of the event exceeds the maximum amounts set by these standards and an exception to this policy wasn't obtained prior to the event, the excess amount is the responsibility of the unit organizing the event.

EXCLUSIONS AND SPECIAL SITUATIONS:

Exception requests to the per-person maximum rates may be submitted to the Office of the Senior Vice President and Provost by the approving department head. Any request for approval of an exception to the per-person maximum rates must include a written justification for the expenditure and submitted at least two weeks prior to the event. The request must document circumstances which are unavoidable or necessary to accomplish a university business purpose. The fact that costs will exceed the authorized rate is not in itself justification for the higher reimbursement rate.

Exceptions must be approved by the Senior Vice President and Provost or the President and may not be delegated except when the Senior Vice President and Provost or the President is absent due to business travel, vacation, illness, or other leave.

PROCEDURES:

All standards set by the university must be met when including alcohol service at an event. Permission for serving alcohol beverages at any event held on UO owned or leased property must be obtained **prior** to the event. For more information on serving alcohol at events, see the Office of Risk Management's Procedures for Hosting Events with Alcohol (<http://orm.uoregon.edu/content/procedures-hosting-events-alcohol>).

WHO IS GOVERNED BY THIS POLICY:

University employees.

WHO SHOULD KNOW THIS POLICY:

University employees.

CROSS REFERENCE TO RELATED POLICIES:

OUS Employee Recognition Awards
Non-travel Meals, Refreshments, and Hospitality Expenses

REVIEWED AND APPROVED BY:

Scott Coltrane, UO Interim President

Date:**ISSUED BY:**

Office of the Sr. Vice President and Provost

Date:

07/02/2014

REVISION HISTORY:

2010: Executive Leadership Team (ELT) put cap of \$2000 on retirement party and gift for UO retirees for employees of lengthy service.

11/2013: Draft reviewed and edited by Finance and Administration.

5/1/2014: Submitted to Senate President.

7/2/2014: Approved on an interim basis and subject to Senate review when Senate reconvenes. <[signed document](#)>