UCSF School of Medicine

Exceptional Expense Training
May 2014

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Exceptional Expenses

- Meals and Entertainment
- Travel
- Relocation Expenses
- Gifts, Donations & Contributions
- Justifications
- Approvals
- Accounting
- Best Practices
- References
- Contacts
Meals and Entertainment
Is My Meals & Entertainment Event Exceptional?

Is your event Entertainment/Morale OR Business/Programmatic?

See Chart 1

Will you be exceeding the Non-Exceptional pp maximum(s)? See Chart 3

Does your meal exceed 200% of the Non-Exceptional Max. pp? See Chart 3

CONTACT SIMON SCHUSTER Chancellor’s approval is needed

Will you be exceeding the Non-Exceptional pp maximums? * See Chart 3

Will Personal Guests be attending? See Chart 2

Send completed packet to Simon Schuster for exceptional approval

AP for check processing

Your event is Not Exceptional

* CME courses are exempt from the per person meal caps
## Chart 1: Event Type

<table>
<thead>
<tr>
<th>Entertainment/ Morale</th>
<th>Business/ Programmatic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff (Group) Appreciation</td>
<td>Lab Collaboration Hour</td>
</tr>
<tr>
<td>Staff (Single Member) Recognition</td>
<td>Staff Team Building</td>
</tr>
<tr>
<td>Dept. Achievement Celebration</td>
<td>Dept./ Lab Retreat</td>
</tr>
<tr>
<td>Farewell/ Retiring Staff (5 Years+)</td>
<td>Recruitment Meal</td>
</tr>
<tr>
<td>Welcome New Staff Celebration</td>
<td>Donor Cultivation</td>
</tr>
<tr>
<td>Annual Holiday Event</td>
<td>Lecturer/ Speaker Meal</td>
</tr>
<tr>
<td>Faculty/ Staff Annual Picnics</td>
<td>Graduation</td>
</tr>
<tr>
<td></td>
<td>Resident/ Student Prgms</td>
</tr>
<tr>
<td></td>
<td>CME</td>
</tr>
<tr>
<td></td>
<td>Staff Meetings</td>
</tr>
</tbody>
</table>

Choose your event from above to differentiate potential classification of exceptional or non-exceptional

**Entertainment/ Morale:** Events that are primarily social or recreational in support of the University’s mission

**Business/ Programmatic:** Events incurred in connection with meetings of employees to conduct official University business. At least one University employee or other individual representing the University must be present at any business meeting that includes non-University persons.
See Chart 2 for allowability of *personal* guests.

**Personal Guest:** Personal Guest(s) of the UCSF attendee

**Business Guest:** A non-UCSF employee who renders a service to the University or to whom the University wishes to extend goodwill

Business guests are allowed to attend any event, when there is an underlying business purpose in support of the University’s Mission.

Visiting guest lecturers and other business guests may bring their spouses to a dinner*. Other expense types for the spouse, such as travel or daily expenses, are *not* be allowed.

*Under this circumstance, UCSF spouses may also attend the dinner. Final approval required.

The number of personal guests each attendee can bring (and relationship of the personal guests to the attendee) is managed on a department level MSO approval/ signature
Chart 3: Meal Caps

Following are the per-person expenditure limits for meals established by UCOP policy, and corresponding limits for exceptional expenditures that apply to the School of Medicine, where it is necessary to exceed the limits established by University policy:

<table>
<thead>
<tr>
<th>Meal</th>
<th>Non-Exceptional Per Person Maximum</th>
<th>Exceptional Per Person Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>$26.00</td>
<td>$52.00</td>
</tr>
<tr>
<td>Lunch</td>
<td>$45.00</td>
<td>$90.00</td>
</tr>
<tr>
<td>Dinner</td>
<td>$78.00</td>
<td>$156.00</td>
</tr>
<tr>
<td>Light Refreshments</td>
<td>$18.00</td>
<td>$36.00</td>
</tr>
<tr>
<td>Buffet Reception¹</td>
<td>Reimbursement for a “buffet reception” cannot exceed the applicable meal rate associated with the type of buffet, i.e., breakfast, lunch or dinner.³</td>
<td></td>
</tr>
<tr>
<td>Brunch</td>
<td>The lunch rate may be used to reimburse for a brunch.⁹</td>
<td></td>
</tr>
</tbody>
</table>

- The reimbursement for a buffet reception cannot exceed the applicable meal rate associated with the type of buffet, i.e., breakfast, lunch, or dinner. Reimbursement for a brunch may be made using the lunch rate.
- The maximum per-person expenditures listed above include the cost of the food and beverages, labor, sales tax, delivery charges, and other service fees. 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.
- The costs of room rental, room setup fees, media rental, and decorations, etc., are not included in the per-person costs unless those costs cannot be separated by the vendor.⁷
Exception to Meal Caps

• CME courses are exempt from the per person meal caps and do not require exceptional approval

b. Programmatic Activities
The University may provide students or others with meals or light refreshments furnished in support of the University’s educational programs, such as:

Continuing educational programs, such as medical or dental education programs, Executive MBA and similar self-supporting programs; 2

2 Meals and light refreshments provided to students and funded by self-supporting educational programs are exempt from the per-person maximum rates.

• However, faculty meals with guest lecturer(s), when over the meal caps still require exceptional approval
Other Meals and Entertainment Expenses to Consider

• Alcohol Limits
  • Alcohol is not allowed on State or Federal funds.
  • Department head to manage the amount and type of alcohol allowed at each event.

• Non-Food & Beverage Entertainment Expenses
  • Entertainment expenses should not be lavish or extravagant. Non-meal component of an event should not exceed $100/person.
  • Non-Food & Beverage Entertainment expenses might be, the cost of bowling, tickets to AT&T, Kayaking, Transport, Facilities – AV, venue hire, labor etc.
  • For some activities an ‘Individual required activity waiver’ form must be signed, requested by UCSF Risk Management.
Other Meals and Entertainment Expenses to Consider

• Frequency of Meals & Light Refreshments
  • Frequency limits are governed by IRS codes
  • Meals – no more than once a month or 12/year
  • Light refreshments – no more than 2/month per group
  • Since certain meals do not require exceptional approval, tracking frequency limits are the responsibility of the departments’

Departments should also consider safety aspects when alcohol is served.
Travel
**Limousines & Chauffeured Car Services**

- Traveler’s must use the most economical mode of transportation and route
  - Limousines and chauffeured car services are often not the most economical mode of transportation. If services are used, expense would be classified as exceptional and would require justification and exceptional approval
  - If limousine or chauffeured car service is more economical than hiring a taxi, please include comparison quotes
Business & First-Class Travel

Travelers must obtain approval before purchasing business or first-class air tickets, “unless precluded by extenuating circumstances.”

However, approval is not required in the following limited circumstances:

- Business or first-class is the only service offered between two points;
- Coach class would be more expensive or time consuming (e.g., when, because of scheduling difficulties, traveling by coach would require an unnecessary hotel expense, circuitous routing, or an unduly long layover when making connections);
- An itinerary involves overnight travel without an opportunity for normal rest* before the commencement of working hours, or;
- Business or first-class is necessary to reasonably accommodate a disability or medical need of a traveler**. (Attach copy of medical provider’s note in expense report, valid within a year of travel.)

*Precise definition is managed by the department allowing for other factors such as jet lag, time difference etc. to be considered

**When the flyer is taller than 6’3”, business class travel is allowed without a medical note.
Actual travel expenses may be reimbursed for spouses/families who accompany candidates for faculty or high-level administrative positions on final interviews.

Travel expenses with spouses/families on final interviews is an exceptional expense that require exceptional approval.

Spousal travel expenses may not be charged to state funds.

For Interviewees (spouses only allowed on final interviews) actual transportation expenses shall not exceed one round-trip coach airfare between the prospective employee's current residence and the interview location for each round of interviews. Subsistence and non-personal miscellaneous expenses also may be reimbursed.
Conference Dates

• When attending a conference more than 40 miles away, overnight stay 24hrs before the start date of the conference is allowed. In addition, overnight stay on the last day is also allowed with justification. Exceptional expense approval not required.

• Extra days other than above require exceptional expense approval and justification.
Lodging

• Lodging and hotel expenses should not exceed 300% of the local per diem rate. Above the per diem rate require final approval and justification.

• Airbnb while not recommended is allowed to be used and costs will be reimbursed.
Relocation Expenses
Relocation Expenses

• The reimbursement of moving expenses for Academic appointees is at the sole discretion of the University and is subject to the availability of funds. Departments may pay all or a portion of such expenses, however, Policy APM-560-4 limits the reimbursement to 50% unless an exception is approved by Academic Affairs.

• Use of a moving company not listed as a preferred University vendor requires exceptional expense approval.
Gifts, Donations & Contributions
Gifts Presented to Employees

- Employee gifts above the limits described below will create taxable income for the employee. Over the limit gifts require exceptional expense approval and should be avoided.
- Such awards are intended to be occasional, and an employee should not receive more than three such awards in a calendar year.
- Departments would determine the necessity for sympathy gifts.

<table>
<thead>
<tr>
<th>Award or Gift Type</th>
<th>Per-Person Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Recognition (including Spot Awards)</td>
<td>$75</td>
</tr>
<tr>
<td>Employee Recognition: One-month parking permit</td>
<td>$245</td>
</tr>
<tr>
<td>Employee Recognition: One-month transit pass</td>
<td>$245</td>
</tr>
<tr>
<td>Length of Service – Must have 5 years plus</td>
<td>$400</td>
</tr>
<tr>
<td>Retirement – Must be 5 years plus</td>
<td>$400</td>
</tr>
<tr>
<td>Sympathy Gift – Tangible Personal Property</td>
<td>$75</td>
</tr>
<tr>
<td>Sympathy Gift – Cash Contributions</td>
<td>$200</td>
</tr>
<tr>
<td>Prizes and Other Gifts</td>
<td>$75</td>
</tr>
</tbody>
</table>
Gifts Presented to Non-Employees

- Non-employee gifts above the limits described below will create taxable income for the individual receiving the gift. Over the limit gifts require exceptional expense approval and should be avoided.
- Non-employee gifts are not allowed on State or Federal funds.

<table>
<thead>
<tr>
<th>Type of Gift:</th>
<th>Promotional Item</th>
<th>Appreciation, Recognition or Incentive</th>
<th>Sympathy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examples:</td>
<td>A T-shirt, cap, mug, pennant or pen that bears the logo of the University or UCSF.</td>
<td>Tickets to a sporting, theatrical or musical event; a memento such as a plaque, watch or logo item of more than minimal value or book; a non-negotiable gift certificate.</td>
<td>Flowers, candy or a book presented as an expression of sympathy, in the event of the death or major illness of an individual, or a member of the individual’s family or household.</td>
</tr>
<tr>
<td>Expenditure Limit:</td>
<td>$75 per individual</td>
<td>$600 per individual</td>
<td>$200 per individual</td>
</tr>
</tbody>
</table>
Donations & Contributions

Donations & contributions of any amount require exceptional approval. (e.g.: Hearts & Heroes, USCAP Foundation, GRC).

However, approval from the Dean’s Office is NO LONGER REQUIRED.

- All payment requests for donations/ contributions, dependent on the amount of the donation, need to have one or both of the following approver(s) on the CRÈME and proper documentation and justification.
  - Donations up to $1k - David Arrington (University Relations) and cc: Michael Fortes.
  - Donations over $1k – David Arrington (cc Michael Fortes) and then after obtaining his approval, it goes to the Chancellor for approval. (Send CRÈME directly to Eloisa Castillo for Chancellor to sign)

The total donation amount on the CRÈME should be considered (rather than the individual contributions) when deciding if the Chancellor’s signature is required.
Advance Payments to Vendor

• Advance payments in **full** without a signed contract is an exceptional expense that requires exceptional approval.

• For advance **deposit** payments to vendors (usually used to hold a date/ venue) an invoice or letter estimate from the vendor is all that is needed and does not need to be signed by the vendor at this stage.

• Advance **deposit** payments to vendors do not need exceptional approval except if there is already a component of the expense that is exceptional.
Justifications
Justifications

• Since the exceptional expense approver, auditors or anyone external do not know all the intricacies of department activities, provide a justification that is sufficient to understand the *background* of the event and why it is exceptional.

• When exceeding the maximum per person meal cap, the department needs to supply a justification
  • Basic generic justification would suffice when meals are over the non-exceptional per person max but below 50% of the exceptional max (i.e. $117.00 for dinner)
  • More detailed/specific justification (with supporting documents) would be required if over the meal cap went 50% or more above the non-exceptional per person max
Example Justifications

To show UCSF’s appreciation to attendees for their commitment (volunteers/ collaborators) to the dept. and encourage them to continue.

Due to invited guests unavoidably not attending pp cost rose to contractual obligation with restaurant. Attach supporting documents....

Restaurant on [UCSF SOM Recommended Restaurant list](#). Due to higher than average cost of living/ taxes etc. in SF.

The location of the restaurant was same as/ within walking distance of the conference.

Notable donor taken to dinner to show appreciation of large gift. Details of gift....

Only restaurant that could accommodate this larger than usual group close to the conference/ campus site.

Other Dept. specific reasons and supporting documents for overage of $117.01
Supporting Documentations

• Entertainment
  • Detailed itemized receipt (missing receipt form if no itemized receipt)
  • Guest list
  • Visiting Professor: seminar poster
  • Spouses/family: invitation
  • Contract
  • Faculty search number for interviews
  • Missing receipt form for single item expenses over $75

• Travel
  • Attach the meeting or conference agenda
  • Limousine: justification or imputed taxi cost
  • Declaration of incurred expenses by guest traveler
  • Lodging invoice
Approvals
## Approvals

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Exceptional?</th>
<th>Pre-Approval?</th>
<th>Final Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your event falls under the category “Entertainment/ Morale”</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Personal guests are attending</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Food &amp; Beverage Expenses exceed the Non-exceptional per person maximums</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Staff Meeting with food provided but within the non-exceptional pp max</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Business dinner meeting with Spouses (see Slide 6 for allowability)</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Final interview dinner with spouses. UCSF spouses may also attend the dinner only if the interviewees spouse/ partner attends</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
## Approvals

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Exceptional?</th>
<th>Control Point Pre-Approval?</th>
<th>Control Point Final Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing Medical Education (CME) – Meals during &amp; attended by majority of course participants</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>CME Faculty Dinner if over cap – A one off Dinner generally used to show appreciation to lecturers.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Advance payments in full without a signed contract</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Non-economy airfare w/ medical note, only service offered between two points, use of coach class would be more expensive or time consuming, not enough time to rest before the start of the working day.</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
# Approvals

<table>
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<tr>
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<th>Exceptional?</th>
<th>Pre-Approval?</th>
<th>Final Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface transportation in lieu of air travel</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Non-economy airfare</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Including economy plus &amp; priority boarding</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Indirect or Interrupted Itineraries</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Limousines/ Chauffeured Cars/ Town Cars</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If more expensive than equivalent taxi ride</td>
<td></td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Spousal expenses for final interviews</td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Lodging over 300% of per diem rate</td>
<td>✔</td>
<td></td>
<td>✔</td>
</tr>
</tbody>
</table>
## Approvals

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<tr>
<th>Event Description</th>
<th>Exceptional?</th>
<th>Pre-Approval?</th>
<th>Final Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relocation using a vendor NOT on the preferred vendor list.</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>More than 24hrs stayed at hotel before or after conference dates</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Other Approval Processes:

Payment mechanisms outside MyExpense and CR/CRÈMEs

Exceptional approval through Email and upload to:

- BearBuy
  - America To Go

Exceptional approval through Email and retained in department SAS115 files:

- Connexxus
- Catering Charge Program, managed by CLS
- P-Card
Accounting
Accounting

When completing a CRÈME or CR ALL the fields are required except Activity Period and Flexfield.
The Account chartfield denotes the nature or type of the transaction. The Account number is a **required** field on all transactions.

Examples are:

57200 - Business meetings excluding alcohol  
57250 - Social activities/entertainment/alcohol  
54101 - Rental of equipment  
57150 - Travel business airfare  
57252 - Travel business non-airfare  
57804 - Parking/transport-other expenses  
57253 - Travel fund raising, lobby, alumni  
57851 - Employee recognition/ award/ bearhugs  
57843 - Donations/contributions
The Function chartfield is a 2-character alphanumeric value which fulfills internal and external reporting requirements to track higher education functional classifications.

Examples:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Valid Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>Instruction</td>
<td>Instruction, teaching and training activities</td>
</tr>
<tr>
<td>42</td>
<td>Medical Centers, Teaching Hospitals</td>
<td>Activity associated with the operations of UCSF Medical Centers.</td>
</tr>
<tr>
<td>43</td>
<td>Academic Support</td>
<td>Administrative Support</td>
</tr>
<tr>
<td>44</td>
<td>Organized &amp; Sponsored Rsch</td>
<td>For all research except training grants</td>
</tr>
<tr>
<td>45</td>
<td>Faculty Support</td>
<td>Dept. Research Support</td>
</tr>
<tr>
<td>46</td>
<td>Clinical Operations (Patient Care)</td>
<td>Faculty clinical time, overheads managing clinic etc.</td>
</tr>
</tbody>
</table>
Best Practices
Best Practices
For Preparers and Department Approvers

General

• Identify:
  • what is an exceptional expense and route accordingly
  • allowable vs. unallowable expenses
  • funding restrictions
  • Correct function code, project, & account

Utilize Comments Section and attach supporting documentation

Before travel arrangements are made, please inform faculty hosts/visiting professors of University T&E policies e.g., economy airfare, meal caps, insurance requirements for vehicle hire etc.
Best Practices
For Preparers and Department Approvers

• Entertainment
  • Utilize Dean’s Office list of recommended restaurants (Stephanie Belger)
  • Determine if Personal Guests are allowed
  • If entertainment expenses exceed meal caps, or if a Personal Guest is present, include justification as to business necessity
  • If a multi-day event/gala, create summary by meals/day
  • Include Faculty search number
  • Alcohol expense considerations: funding restrictions e.g., fed/state/city
  • Itemized receipts*

* both Controller’s Office and Internal Audit
Best Practices
For Preparers and Department Approvers

• Travel
  • Business class justification
  • Lodging
    • CONUS: travel < 30 days: Actual Cost (refer to G-28 for guidance on 30 days or more)
    • OCONUS: per diem or actual cost up to 100% of combined lodging/meal per diem
    • Connexxus should be used if a refundable fare is required... although Connexxus does not refund, they do issue 100% credit notes to the traveler up to 24hr prior to traveling lasting up to 1 year from issuance of note.
Best Practices
For Preparers and Department Approvers

• MyExpense
  • Select appropriate expense types available on the report page AND within the line item
  • If adding a pdf guest list, add number of attendees in notes
  • Include the faculty search number if related to interview
  • If exceptional approval is warranted, the expense should be routed to exceptional approver first before submitting to back office
  • Describe event expenses fully. Do not assume Control Point would know x, y, z
Best Practices
For Preparers and Department Approvers

• Controller’s Office perspective
  • Wet/ink signatures vs. e-/digital
  • Signature Authorization & Updated Signature Cards
  • Host Signature on CRÈME form
  • Signed contract for CRÈME

• Internal Audit’s perspective
  • **Meaningful** description of business purpose
  • Detailed (itemized) receipts especially for meals/entertainment
Review Allowability

• Meals or light refreshments provided in the course of a business meeting:
  • Must be a necessary and integral part
  • Not a matter of personal convenience
  • Examples: scheduled luncheon speaker, participants work through lunch period, disruptive to take meal break away from meeting location, etc.

• Unallowable events & gifts of a personal nature
  • Birthdays, weddings, childbirth, etc.
  • Farewell, retirements/separation with less than 5 years of University service

• Unallowable awards & gifts to:
  • Employees e.g. cash or gift cards for services
  • Non-employees
    • If a near relative of UC employee
    • Outside business relationship
    • Political campaign or referendum
## Exceptional Expense Policies

### UCOP
- **BUS-79** (Business Meetings, Entertainment, Other Occasions)
- **G-28** (Travel)
- **G-41** (Employee Non-Cash Awards & Gifts)
- **G-42** (Gifts presented to Non-Employees on Behalf of the University)

### UCSF
- **300-25** (Entertainment and Meeting Expense)
- **300-37** (General Travel)
- **300-38** (Travel Reimbursement and Per Diems)
Contacts
Contacts

• SOM Contacts:
  • Simon Schuster: Schusters@medsch.ucsf.edu
    or (415) 502-0760
  • Denise Lau: Laud@medsch.ucsf.edu
    or (415) 514-3002

• Accounts Payable Contacts:
  • CO AP Customer Center: APCustomerCenter@ucsf.edu
    or (415) 476-2126
  • Alexandra Jalali: Alexandra.Jalali@ucsf.edu
    or (415) 476-8461
  • Helen Szeto: Helen.Szeto@ucsf.edu
    or (415) 476-3656