Academic Vice President
For Facilities and Operations
Policy Guidelines

Hosting

Foreword
The Facilities and Operations Lead Team desires to have consistent hosting guidelines for all units within Facilities and Operations (F&O). It is understood that the Lead Team reserves the right to impose stricter requirements for procurement activities than those described by the standard practice guide (SPG). Hence, the guidelines below are likely to be more restrictive than the current SPG 501.4-2.

The personal nature of a hosting activity lends itself to considerable scrutiny. Compounded by the fact that we operate as a public entity, our hosting practices and policies should be administered on a consistent and conservative basis. Below are specific, but not necessarily all-inclusive, F&O hosting policies. If an item is not covered in this document please refer to the current SPG.

I. Retirement Farewell Gathering
University discretionary funds may be used to cover all or part of the cost of hosting a retirement farewell activity. University Investment Pool (UIP) interest income should be used when available. If UIP funds are unavailable, please contact the F&O Business Manager before a commitment is made. Do not use General Fund or Federal Fund monies. Other monies (besides UIP income) may also be problematic.

The following are set amounts for use of University discretionary funds toward retirement farewell expenses. Please note that the budget for the retirement activity must be approved, in advance, by the director/administrator (defined as the individual who reports directly to the Associate Vice President for Facilities and Operations).

<table>
<thead>
<tr>
<th>University Years of Service</th>
<th>Attendance – 100 people or less</th>
<th>Attendance – more than 100</th>
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</thead>
<tbody>
<tr>
<td>Less than 10 years of service</td>
<td>Up to $250</td>
<td>Up to $1000</td>
</tr>
<tr>
<td>10 – 20 years of service</td>
<td>Up to $500</td>
<td>Up to $2,000</td>
</tr>
<tr>
<td>20 years of service or more</td>
<td>Up to $1,000</td>
<td>Up to $5,000</td>
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Exceptions to the set amounts (above) must be additionally approved, in advance, by the Associate Vice President for Facilities and Operations.

II. Retirements Gifts
University funds may not be used to cover all or part of a retirement gift. Gifts from the employer are deemed to be taxable compensation to the employee and F&O desires not to get involved in the taxation requirements. However, University funded expenses incurred for a retirement farewell activity may include the cost of a corsage/boutonniere for the retiree and retiree’s spouse.

III. Holiday Parties/Seasonal Gatherings/Other Staff Recognition Events/Programs
University discretionary funds may be used to cover all or part of the cost of a large-scale “employee appreciation” gathering which typically manifests itself as a holiday or seasonal event or other formal events or programs. University Investment Pool (UIP) interest income should be used when available. If UIP funds are unavailable, please contact the F&O Business Manager before a commitment is made. Do not use General Fund or Federal Fund monies. Other monies (besides UIP income) may also be problematic.
A. Summer Event
Currently, a consolidated one-time “employees appreciation” (F&O picnic) event is held for all F&O units. Each year a cross-unit committee will be established to coordinate the event. Each unit will burden a portion of the full cost of the event based on department head count. This event is provided in lieu of all other department specific large-scale “employee appreciation” summer gatherings (as compared to the holiday period of December).

B. Service Award Dinner (October/November time frame)
A consolidated 10-Year Service Award Dinner for all F&O units will be held sometime during the fall of each year. A cross-unit committee will be established to coordinate the event. Event costs will include the dinner, hors d’oeuvres, musical entertainment, table favors, flowers and a small gift of appreciation to each service award honoree. Each unit will burden a portion of the full cost of the event based upon the number of service award honorees plus the number of their guests who RSVP/attend plus the number of supervisors/managers/directors who RSVP/attend. Dinner charges for the invited speakers, musical entertainment and photographer will be totaled and split by the number of units participating in the event.

C. Holiday Event (December time frame)
It is appropriate for unit directors to encourage a Holiday event for all staff. However, certain limitations apply:
- The University contribution will have a maximum limit of $15 per person (including tip).
- Non-supervisory personnel are limited to one event.
- The duration of the event shall be limited to no more than three hours.
- The event shall be held between November and the end of January.
- The director/administrator (defined as the individual who reports directly to the Associate Vice President for Facilities and Operations) must approve of the event, in advance.

D. Other Events/Programs
It is understood that units may sponsor additional formal employee appreciation type events or programs. Such events or programs must be approved, in advance, by both the director/administrator (defined as the individual who reports directly to the Associate Vice President for Facilities and Operations) and the F&O Business Manager.

IV. Business Meals (non-travel status)

A. Staff Gatherings (including business lunches with internal staff)
According to IRS guidelines and SPG 501.4-2, you must not host the same group of people any more often than once a month. The cost per individual should be conservative - generally less than $10 (tip included). The duration of the meal should not be in excess of 1.5 hours unless an appropriate work agenda is included as documentation. When feasible, the director/administrator (defined as the individual who reports directly to the Associate Vice President for Facilities and Operations) should approve of the event in advance. University Investment Pool (UIP) interest income should be used.

It is understood that project work sometimes necessitates business to be conducted over the lunch period. A reasonable attempt should first be made to schedule other meeting times. For routine meetings, a University funded meal is generally not appropriate. University Investment Pool (UIP) interest income should be used.

B. Business Gatherings (with third parties)
University discretionary funds may be used to cover all or part of the cost of the meals associated with third parties. University Investment Pool (UIP) interest income should be used when available. If UIP funds are unavailable, please contact the F&O Business Manager before a commitment is made. Do not use General Fund or Federal Fund monies. Other monies (besides UIP income) may also be problematic.

The third party must be a current or likely provider of valuable information (e.g. gatherings with peer institutions), service or other products to the University. The necessity for the meals should result from
the inability to reasonably schedule other times for the purpose of meeting to discuss business matters. The meal should not be strictly a means of offering a gratuity to the third party. The director or administrator (defined as the individual who reports directly to the Associate Vice President for Facilities and Operations) must approve of the event, in advance.

It is understood that project work oftentimes requires a concentrated effort by both University and third party personnel and mealtime meetings may be a necessity. It is expected that for routine meetings with third party providers, a University funded meal is generally not a necessity. **Warning:** It may not be appropriate to substitute University paid business lunches with Vendor paid lunches. See SPG “Conflict of Interest” policy and consult the F&O Business Manager for clarification.

**C. Training Sessions**
University discretionary funds may be used to cover all or part of the cost of the meals (and/or refreshments) associated with preplanned and necessary staff training sessions. University Investment Pool (UIP) interest income should be used when available. If UIP funds are unavailable, please contact the F&O Business Manager before a commitment is made. Do not use General Fund or Federal Fund monies. Other monies (besides UIP income) may also be problematic.

**D. Emergency or Special Circumstances**
University discretionary funds may be used to cover all or part of the cost of the meals (and/or refreshments) associated with “safety” service activities (e.g. snow removal, emergency repairs) that do not allow for traditional meal breaks. University Investment Pool (UIP) interest income should be used when available. If UIP funds are unavailable, please contact the F&O Business Manager before a commitment is made. Do not use General Fund or Federal Fund monies. Other monies (besides UIP income) may also be problematic.

**V. Service Awards Recognition**
A large-scale recognition event is hosted by Human Resources and Affirmative Action for 20-50 year awardees. Departments are encouraged to recognize employees for their ten-year service awards by participating in the F&O division-wide event.

**VI. F&O General Guidelines:**
- The University shall fund no alcohol.
- Detailed receipts shall accompany all expenses.
- Fill out only one hosting documentation form per event. Even if you used multiple vendors, list the vendors and amounts on one form.
- Directors must countersign hosting-related forms before they are submitted to the AVP office.
- Any business expenses paid for using personal funds should be accounted for on the ATM/Misc. Expense form and attached to the P-Card statement. Likewise, any reimbursement due to the University from the cardholder should be accounted for on the same form.
- All forms shall be fully and appropriately prepared and proper signatures obtained. Downloadable forms are available at [www.umich.edu/~finops](http://www.umich.edu/~finops) and [www.umich.edu/~purch/pcard/forms.html](http://www.umich.edu/~purch/pcard/forms.html).
- Further information on travel and hosting can be found in the standard practice guide at [www.umich.edu/~spgonlin](http://www.umich.edu/~spgonlin).
- For your records, keep a copy of your reconciled statement and all the receipts. The AVP’s office does not maintain copies.
- Contact the Business Manager for further clarification.

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