
I. POLICY STATEMENT

Texas Southern University (the “University”) permits the use of institutional funds for business-related entertainment expenditures when such expenditures serve a legitimate University purpose and are reasonable, necessary, and appropriate to the conduct of official University business. All entertainment expenditures must be properly documented, approved, and incurred in accordance with applicable federal and state law, as well as University policies and procedures. Expenditures using state-appropriated funds are strictly prohibited for entertainment purposes, except as expressly authorized by law.

II. PURPOSE AND SCOPE

Texas Southern University recognizes that business-related entertainment may, under appropriate circumstances, support the University’s mission, including activities related to advancement, development, community engagement, and institutional operations. This policy establishes guidelines to ensure prudent oversight, accountability, and consistency in the use of funds for entertainment expenditures.

This policy applies to all University departments, employees, and individuals authorized to incur or approve such expenditures and applies to all University funds, except where the use of funds is restricted by law, including state-appropriated funds, which may not be used for entertainment purposes unless expressly permitted.

III. POLICY PROVISIONS

A. Administrative Processing: All reimbursement requests for entertainment expenses shall be submitted and processed through the University’s Accounts Payable Department in accordance with established procedures and documentation requirements.

B. Business Justification: The use of University funds for entertainment is limited to occasions that serve a legitimate University business purpose and provide a clear and demonstrable benefit to the University. Attendance shall be limited to individuals whose participation is directly related to that purpose.

C. Expenditure Reasonableness: Entertainment expenditures must be reasonable, necessary, and appropriate to the conduct of official University business.

D. Approval Authority: Authority to approve reimbursement requests for entertainment expenses of individuals subject to these regulations is delegated to the following University officials: President; Vice Presidents; General Counsel; Internal Auditor; Associate and Assistant Vice Presidents; Deans; Associate Deans; Department

Chairs; and Directors. In all cases, reimbursement must be approved by an individual with a higher level of authority than the highest-ranking University employee of the sponsoring group who attends the event.

E. Required Documentation: Entertainment expenditures must be documented to include: (1) identification of the individual(s) or group being entertained, with names required for groups of ten or fewer and, for larger groups, the names of honored guests and total number of attendees; (2) a statement describing the business purpose of the event and how the expenditure benefits the University, including the relationship of attendees to University programs or activities, (such as titles, committee name, field of interest of person being entertained, reason for visitor being on campus, etc.); and (3) the date, time, and location of the event. If alcoholic beverages are served, the time of service must also be documented, as state employees whose salaries are paid from state-appropriated funds may not consume alcoholic beverages during normal working hours, in accordance with Texas Government Code § 2113.012.

F. Receipt Requirements: Receipts are required for all entertainment expenditures submitted for reimbursement to faculty or staff members. When payment is to be made directly to a vendor, the original invoice or itemized statement of cost is required.

G. Governmental Relations Exception: Expenses of the Office of Governmental Relations may be reimbursed without receipts or documentation required in this Section provided that the Governmental Relations employee maintains appropriate and sufficient records of the expenditures on behalf of the University.

H. Payment Compliance: Payment will not be made for entertainment expenditures unless all required documentation is complete. Requests for additional documentation may be directed to the appropriate approving authority if additional material is necessary. If appropriate action is not taken to properly document the expenditure, the individual faculty or staff member shall be responsible for the cost of the entertainment.

I. Guideline Establishment: The Chief Financial Officer shall establish and disseminate guidelines and appropriate limits for all divisions of the University for reasonable entertainment expenditures. Such guidelines will give specific provisions for approval of entertainment reimbursement and other matters related to entertainment expenditures. These guidelines shall also include provisions for approval by the employee's supervisor or appropriate authority for processing with the Accounts Payable system. In the absence of such campus guidelines, University guidelines shall apply.

J. Grant Restrictions: Entertainment expenses may only be charged to contracts or grants with the University if such entertainment is not prohibited by the terms of the contract or grant and provides a specific, documented benefit to the contract or grant. Alcoholic beverages may not be charged to a contract or grant under any circumstances.

K. Alcoholic Beverage Funding: Expenditures for alcoholic beverages may be paid from authorized University local funds and must be separately itemized and provided with the appropriate account where the cost is known. Under the terms of the General Appropriations Act (Article III, Section 9), alcoholic beverages may not be paid from state appropriated funds or from funds under the control of the Athletics Department. Purchase of alcoholic beverages is also prohibited from sponsored project funds (under the terms of OMB Circular A-21).

IV. CATEGORIES OF ENTERTAINMENT

A. Prospective Faculty and Staff: The University recruits in a highly competitive market for faculty and staff. It is the policy of the University to invite prospective faculty and staff, and on occasion both candidate and spouse, to visit the University. Travel and other reasonable expenses for such activities shall be reimbursed in accordance with applicable University policies and procedures.

B. Official Guests of the University: The University is not normally expected to reimburse official guests for travel and related expenses, except when guests travel to the University on specific invitation. However, it is recognized that entertainment of guests is essential. Examples of official guests include: visitors from foreign countries, representatives of research organizations, visitors from other universities, individuals interested in University programs and problems, guests invited to assist in the development of new programs (both paid and non-paid consultants), and business and community leaders from Houston, the Gulf Coast region and the State at large. The relationship between the visitor and the University faculty and staff attending the function or their areas of responsibility must be clearly indicated.

C. Spouses at University Functions: Involvement of spouses in University official functions is generally not appropriate. When, however, there are reasonable expectations of third parties regarding attendance of non-employee spouses at University functions, the University may reimburse such expenditures. The appropriateness of inclusion of non-employee spouses is left to the discretion of the Dean, Director or executive administrator responsible for the event, who will indicate his/her approval by the voucher, P-Card journal or attachment. The business purpose must be clearly documented.

D. Conferences, Workshops, Meetings, and Seminars: In the case of conferences and workshops conducted by the University which are supported by income from registration fees, all expenses, including entertainment, must be covered with the revenue produced by the event.

1. **Event Classification:** There are other conferences, workshops, meetings, seminars, etc., which are not self-supporting. These are usually organized around: (a) University groups in combination with outside persons, or (b) groups limited to University personnel. Entertainment expenses associated with the combination groups will be handled in the same way as those for official guests of the University (Section 3.2).

2. **Internal Personnel Meetings:** Group meetings comprised exclusively of University personnel require prior administrative approval. To secure this authorization, the requesting department must submit a formal justification demonstrating that the event is essential to University operations and that the provision of meals and/or refreshments is necessary to facilitate the meeting's objectives. A signed approval form serves as the required evidence of prior administrative permission.

E. Receptions: Receptions held by the President and other designated campus senior officers shall be paid as entertainment. These officers may, from time to time, hold dinner meetings for faculty and staff of the University for the purpose of discussing items of general University interest. Such meetings shall be paid by the University as entertainment.

F. Club Memberships: Certain officers, as part of the employment contract to carry out designated official responsibilities, may have club dues paid in part by the University. A corresponding percentage of the club dues, where applicable, will be considered a taxable fringe benefit and reported on the employee's Form W-2 (see the University MAPP entitled "Taxable Fringe Benefits"). Any charges of a personal nature incurred by the employee must be excluded by the University. The employee shall deduct the amount from the bill and remit this portion directly to the club.

G. Business Meals: Business meals are a form of entertainment in which a University employee discusses University business with another University employee or non-employee over breakfast, lunch or dinner. Individual travel meals are not considered business meals or entertainment but should be paid or reimbursed as a travel expense. Business meals must be documented by the employee incurring the expense and submitted to the appropriate department business office within sixty (60) days of the event, in accordance with the documentation requirements set forth in this policy.