

System-wide Policy:	
FI0715 - Entertainment, Group Arranged Events, Food and Housing Purchases for UT Sponsored Conferences and Seminars	
Version: 18	Effective Date: 12/31/2024

FI0715 -Entertainment, Group Arranged Events, Food and Housing Purchases for UT Sponsored Conferences and Seminars

SECTION 1. Policy Statement

I. Generally

- A. The University may pay for expenses related to Entertainment and Group-Arranged Events, provided that the following conditions are met:
 - 1. The event is for a University business purpose.
 - 2. The expenses per person are prudent and reasonable.
- B. The University is a state-government agency and, accordingly, encourages departments to be as conservative as possible when entering into transactions related to Entertainment or Group-Arranged Events.

II. Prohibited Transactions

A. Transactions with Facilities that Discriminate:

- 1. The Tennessee Civil Rights Act of 1990 (T.C.A. § 4-21-801, et. seq.) prohibits official University activities in locations, establishments, or commercial facilities that do not grant full access or membership rights and privileges to individuals based on protected classes set forth in the statute (for example, race).
- 2. No University funds may be paid to facilities that violate the Tennessee Civil Rights Act. Further, University employees may not be reimbursed for using these facilities. Before arranging to utilize a facility, University departments must make a reasonable effort to ascertain that no such discriminatory practices exist.

B. Entertainment Expenses Utilizing Federally Sponsored Grants:

- 1. Entertainment and Group-Arranged Event expenses are not permitted when a department utilizes sponsored project funds, unless Entertainment or Group-Arranged Event expenses were included in the awarded project budget; or are explicitly approved in writing by an authorized official of the sponsor.

III. Gratuities (Tips)

- A. University employees may pay gratuities (tips), provided that the gratuity does not exceed 20%. For clarity, gratuities are commonly called “tips” and do not include other types of mandatory fees, such as service fees, delivery fees, etc.
- B. Departments will base the amount of any gratuity, up to 20%, based on the level of service.
- C. Departments may pay an amount higher than 20% only if the University and the vendor agreed to the higher percentage in a contract or purchase order.

IV. Approvals

- A. Campuses and institutes may issue procedures under this policy establishing the following:
 - 1. Per Event Threshold: A per-event threshold above which Chief Business Officer approval is required for Entertainment or Group-Arranged Events.
 - 2. Per Person Threshold: A per-person threshold above which Chief Business Officer approval is required for Entertainment or Group-Arranged Events.
- B. In no event may a campus or institute set a threshold higher than \$9,999.99.

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- C. Departments must comply with FI0405 (Procurement), FI0420 (Contracts), and all other applicable policies and procedures.
- D. For expenses governed by this policy, campuses and institutes may establish a pre-approval process in the applicable campus or institute procedure. Campuses and institutes may choose to omit a pre-approval process.

V. **Alcoholic Beverages**

- A. If a department conducts an Entertainment event where alcoholic beverages will be served, the cost, including tax, of alcoholic beverages must be separately identifiable on the receipts and any supporting documentation.
- B. Departments must utilize appropriate restricted accounts to pay for alcoholic beverages. Appropriate restricted accounts are those accounts that are funded solely with gift funds and where the gift fund does not prohibit the purchase of alcohol.
- C. Departments must not utilize federal and state appropriations; tuition; or student fees to pay for alcoholic beverages (TCA § 49-7-3003).
- D. Departments must not utilize sponsored project funds to purchase alcoholic beverages, unless specifically allowed by the award document; or explicitly approved in writing by the sponsor.

VI. **Retirement Receptions**

- A. Retirement receptions are considered an Entertainment expense.
- B. Departments may spend up to \$1,000.00 of University funds for a retirement reception when an employee retires, provided that the employee meets the criteria listed in this policy. The \$1,000.00 includes all costs associated with the retirement reception that the University will pay.
- C. The maximum amount spent on a reception may not exceed \$1,000.00, whether from one or several University accounts. For clarity, the maximum possible amount that a department can spend is \$1,000 per retiree, regardless of the funding source(s).
- D. If multiple retirees are honored at one event, the \$1,000.00 maximum amount applies to each retiree individually.
- E. Receptions may include refreshments or meals. Expenses may include gratuities, invitations, paper products, etc.
- F. Campuses, institutes, and units may issue procedures that prohibit or impose limits on retirement receptions or other types of receptions.
- G. Per HR0120 (Employment of University and State of Tennessee Retired Employees), an employee must meet one of the following criteria to be considered a retiree. To be eligible for the University to pay up to \$1,000.00 toward a retirement reception, an employee must meet one of the following criteria:
 - 1. Age 60 with at least 5 years of service; or
 - 2. Age 55 with at least 10 years of service; or
 - 3. Any age with 25 years of service; or
 - 4. The retirement requirements established for participants in a federal retirement plan (CSRS and FERS members only).
- H. If the University purchases a gift for a retiree, the purchase must comply with all applicable policies and procedures; in particular, University employees must ensure compliance with FI0900 – Fringe Benefits Provided to Employees, and FI0405 – Procurement. This restriction

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does not apply to University employees pooling their personal money together to contribute toward a gift (provided that the gift is 100% funded with personal funds).

- I. The University may not make a charitable donation on behalf of the retiree. State law does not allow the University to make financial donations to non-profits. See FI0436—Sponsorships of Non-Profits for more information.

VII. **Exceptions**

- A. The applicable Chief Business Officer or designee may make an exception to this policy.
- B. No exceptions may be made for:
 1. Compliance with the Tennessee Civil Rights Act of 1990.
 2. The type of funds allowed for alcohol purchases.
 3. Charitable donations.

SECTION 2. Reason for the Policy

This policy states the University’s policy related to the University’s ability to pay or reimburse for following types of purchases: Entertainment and Group-Arranged Events.

SECTION 3. Scope and Application

This policy applies to all University employees.

SECTION 4. Procedures

The University has not implemented system-wide procedures for this policy.

SECTION 5. Definitions

Entertainment: Hospitality events that the University hosts for individuals and groups who are not University employees or students. Such transactions include, without limitation events related to: donors; interviewee/job candidates; speakers/performers; volunteers; the purpose of providing awards; and recruiting students.

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Group-Arranged Events: Hospitality events that the University hosts primarily for University employees or students, or both.

SECTION 6. Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this policy might result in adverse human resources actions, up to and including termination.

SECTION 7. Responsible Official & Additional Contacts

All University of Tennessee campuses and institutes

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Blake Reagan	865-974-3971	breagan@tennessee.edu

SECTION 8. Policy History

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SECTION 9. Related Policies/Guidance Documents

- FI0405: Procurement
 - FI0420: Contracts
 - FI0505: Accounts Payable
 - FI0530: Procurement Card
 - FI0531: Travel Card
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