

CITY OF TEMPLE

ADMINISTRATIVE DIRECTIVE

AD #22

Issue date: March 13, 2006

Effective date: March 13, 2006

Page 1 of 2

SUBJECT: Business Meals

D. Blackburn, City Manager

Purpose

This directive sets forth the official policy and procedures of the City for business meals.

Policy

The City of Temple recognizes that it is reasonable, necessary and beneficial in the course and conduct of city business to purchase business-related meals for both city employees and others.

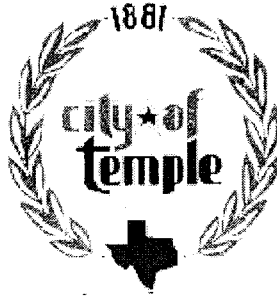
Procedures

Definition: Business meals will be treated as non-taxable provided a substantial business discussion occurs during the meal. According to the IRS, whether a business discussion is substantial depends on the facts of each case. A business discussion will not be considered substantial unless you can show that you actively engaged in the discussion, meeting, negotiation or other business transaction to get some specific business benefit.

- (1) Elected Officials and Council Appointed Staff. Reasonable expenses for food and beverages are allowed if the business meal meets the definition for such. Purchases should be made sales tax exempt whenever possible. The City's tax id number is on the back of the procurement card.
- (2) Other City Staff. Reasonable expenses for food and beverages are allowed if the business meal meets the definition for such, and the Department Head authorizes it. Purchases should be made sales tax exempt whenever possible. The City's tax id number is on the back of the procurement card. No purchases for alcoholic beverages will be allowed. Detailed receipts must accompany any request for reimbursement or procurement card log.

Business Meal Expense Forms are available for your convenience to help in documenting the required information, but these forms are not required if all the information is documented on the back of the receipt. The required information includes the date, time, total expense of the meal, the location, the specific purpose of the meeting and who was in attendance.

Gratuities for business meals should not exceed 15% of the total bill unless automatically charged by the restaurant. The Finance Department shall have the authority to make necessary adjustments for small overages for gratuities.



Business Meal Expense Form

Meals will be treated as non-taxable provided a substantial business discussion occurs during the meal. According to the IRS, whether a business discussion is substantial depends on the facts of each case. A business discussion will not be considered substantial unless you can show that you actively engaged in the discussion, meeting, negotiation or other business transaction to get some specific business benefit. Elected and appointed officials, as well as all City employees, must document the purpose of the meeting, the time, location and who was in attendance.

Date: _____ Time: _____

Total expense of the meal: \$ _____

The location and the Specific Nature of Business: _____

Who attended the meeting: _____

Official/Employee Signature: _____ Date: _____

Department Head Signature: _____ Date: _____