

CITY OF DOVER
HOSPITALITY & CIVIC FUNCTION POLICY

I. PURPOSE

There are occasions when the judicious extension of hospitality in connection with official City of Dover business is in the best interests of the City of Dover, hereinafter referred to as “City.” There are also occasions where attendance at civic events and functions which are not sponsored by the City are in the best interests of the City. This policy outlines City policy and procedures governing the manner and extent to which the City’s employees, public officials, and appointees may extend hospitality while attending civic functions for business purposes only, provides maximum per person rates authorized for meals and refreshments, and specifies the City funds that may be used for such purposes.

II. SCOPE

This policy applies to all hospitality and civic function expenses incurred by the City regardless of the source of funding, and to all City employees, public officials (as defined herein) and appointees to City Boards, Commissions and Committees. Allowable costs for hospitality and civic functions which are chargeable to federal grant funds are governed by various OMB Circulars. All City employees, public officials, and appointees shall adhere to all requirements of applicable OMB Circulars.

This policy does not apply to meal expenses incurred while on approved travel status (except as specifically delineated on page 6), which are covered by the City Travel Policy.

III. DEFINITIONS

- *Approval Authority* – a person to whom authority has been given in the City Charter and/or Code or delegated in writing to approve hospitality and civic function expenses and to approve exceptions to the hospitality and civic function policy and the limitations outlined in this policy.
- *Civic Event/Function* - any not-for-profit festival, celebration, or any similar occurrence or event that is conducted for a charitable, historical, educational, or public or civic purpose provided, however that fund-raising events and all political activities are specifically excluded from coverage under this policy.
- *Hospitality* – for purposes of this policy, hospitality includes expenses for activities that City employees, public officials, and/or appointees initiate for official business meetings or to promote the City to the public, usually with the expectation of benefits accruing directly or indirectly to the City. Hospitality is broadly defined to include providing any of the following:
 1. Meals (catered or restaurant)
 2. Light refreshments (beverages, hors d’oeuvres, pastries, cookies, etc.)

- *Official Business* – when a City employee, public official, or appointee engages a minimum of 60% of the time in a discussion of a City topic with supporting documentation.
- *Official Guest* – a person who renders a service to the City or is present at a City meeting, conference, or event at the invitation of the person authorized to host the activity. City of Dover employees, public officials, and appointees are not considered Official Guests under this policy.
- *Official Host* – an employee, public official, or appointee representing the City, who hosts a meeting, conference, or event.
- *Public Official* -an elected or appointed person with authority conferred by the City of Dover Charter and/or Code of Ordinances.
- *Unallowable Expenses/costs* – expenses and/or costs which are not expressly permitted under this policy and/or for which sufficient documentation is not provided as required under this policy. Any obligation incurred by a City of Dover employee, public official, and/or appointee contrary to this policy becomes the personal obligation of the employee, public official, and/or appointee.
- *Work Location* – the place where the major portion of an employee's or public official's working time is spent, or the place to which the employee or public official returns during working hours upon completion of special assignments.

IV. ALLOWABLE EXPENSES AND APPROVAL

A. Allowable expenses and occasions

Expenses for hospitality and civic functions must be directly related to, or associated with, the active conduct of official City business. The occasion must serve a clear City business purpose, with negligible personal benefit derived by the official host or other City employees, public officials, and appointees. In addition, the expenditure of funds for hospitality and civic functions should be cost effective and in accordance with the best use of public funds.

The procedures set forth in this policy are intended to conform to the Internal Revenue Service regulations related to entertainment expenses and associated employee compensation issues.

The following list provides examples of approved hospitality and civic function expenses:

- Host to Official Guests

When the City is host to official guests or dignitaries from outside the City who are visiting for a bona fide official City business purpose, the cost of meals or light refreshments may be paid or reimbursed.

The expenses of the spouse of a guest may be reimbursed provided such hospitality serves a bona fide City business purpose. In cases where the expenses of a guest's spouse are reimbursed, expenses for the host's spouse are also reimbursable.

- Joint Meetings with Other Governmental Entities or Organizations.

The costs of meals or light refreshments may be paid or reimbursed when the City is the sponsor or co-sponsor of a meeting with other local governments, local legislators, and/or other elected officials meeting with the City on official City business. All such events or meetings shall be open to all City elected officials to be reimbursable. (e.g., City/County periodic meetings).

- Retreats, Meetings and Business Meals

The cost of meals or light refreshments may be paid or reimbursed when meetings of an administrative nature are held that are directly concerned with the welfare of the City.

Reimbursement may be allowed when it is necessary for employees, public officials, or appointees to conduct official City business during a meal, and it is impractical to complete the business during normal working hours.

- Organization in which the City is a member.

The cost to attend functions/events of organizations that the City is a member, may be paid or reimbursed. This would include but not limited to Chamber of Commerce, Kent County Tourism and Delaware League of Local Governments.

- Reduced Cost to the City

The cost of light refreshments or meals may be paid or reimbursed when the cost of the refreshments or meals is likely to be less than the cost to conduct the meeting or function outside of meal hours.

- Employee Oriented Functions

The cost of light refreshments or meals may be paid or reimbursed when Citywide functions between City officials, management, and employees are held for support of City employee events and recognition activities that are open to all employees (e.g., employee appreciation day and employee picnic). However, holiday parties, birthday parties, employee retirement parties, prayer breakfasts and other events not essential for the conduct of City business are not allowable expenses under this policy.

- Receptions

The cost of light refreshments and the cost of certificates, awards, plaques, and/or promotional materials presented, may be paid or reimbursed for the Annual City of Dover Reception.

B. Approval of Transactions

When determining whether a hospitality or civic event expense is appropriate, the approving authority must evaluate the importance of the event in terms of the costs that will be incurred, the benefits to be derived from such an expense, the availability of funds, and any alternatives that would be equally effective in accomplishing the desired objectives.

Hospitality and civic event expenses will be approved in accordance with the “Personnel Authorized to Sign Purchase Orders & Invoices” as maintained in the Finance Department. Approval for all official City hospitality and civic function expenses must be obtained at the appropriate level.

From time to time, supervisors may not be available for extended periods in advance of a permitted event or function. When this happens, the supervisor may delegate approval authority to a responsible person in writing.

V. PROHIBITED/RESTRICTED EXPENSES

To prevent inequities among the various competing fund-raising events, the occasion cannot be a fund-raising event for any one civic, charitable, or religious organization. Furthermore, contributions and donations, including cash, property, and services, regardless of the recipient, or the purpose for which the funds, property or services will be used are prohibited costs, unless the City Council and Mayor have given specific written approval of such contributions and donations.

The following list provides examples of prohibited or restricted hospitality and civic function expenses:

- Personal Memberships

To prevent any potential conflict of interest, City funds may not be used by employees, public officials, or appointees at private membership clubs where expenses are credited to a member's minimum expense requirement.

- Political Expenses

Expenditures which contribute to, or pay the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections, whether direct or indirect, are prohibited.

- Holiday Gatherings

The use of public funds for meals or light refreshments for holiday gatherings for City employees, public officials, and appointees is prohibited.

- Entertainment

Costs of entertainment, including amusement, diversion, golf tournaments or outings, and social activities and any costs directly associated with such costs (such as tickets to shows, cultural, social or sports events, greens or tee fees, meals, lodging, rentals, transportation, and gratuities) are prohibited. (Please refer to VI. C. for exceptions and approval)

- Fundraising

Costs of organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are prohibited, regardless of the purpose for which the funds will be used.

- Refreshments

City funds may not be used to pay for refreshments for general office use.

- Alcoholic Beverages

The City shall not reimburse the costs of alcoholic beverages.

VI. PROCEDURES

A. Authorized Rates

Rates are recommended by the City Clerk and are authorized by the City Treasurer. *Maximum* rates allowed for hospitality and civic functions, specified in Appendix A, include taxes and service. These rates do not include the rental of meeting or conference facilities, which may be charged as an additional expense.

The maximum rates will be reviewed periodically by the City Clerk, City Manager, and City Treasurer and adjusted as appropriate.

B. Payment/Reimbursement Procedures

Except for regularly scheduled meetings and, unless otherwise specifically delineated in this Policy, all Hospitality and Civic expenditures must include the following information on the receipt, invitation, or agenda.

1. *Name and department* of the person requesting payment and/or reimbursement.
2. *Date of activity*
3. *Location of activity*
4. *Purpose of activity*: explain how this is a necessary, business related expense that is appropriate to charge to/reimburse from the indicated account, if it is not included on the invitation or support documentation.
5. Supporting documentation of the event/meeting. (e.g, invitation, notice of meeting, agenda)
6. *Participants*: who attended (or will be attending) the activity and their business relationship to the City department. The name, title and department (if a City employee), or affiliation/occupation/group (if a guest from outside the City) of each person should be shown on the request form or an attached guest list. For meetings of a group with an established participant list or where the group is so large it would be very difficult to name all of the attendees (e.g., City Reception), the persons entertained need not be individually identified by name and title. The group must be named or described and the estimated number of attendees provided.
7. *Type and amount of expense(s)*: describe what was purchased, if not included on receipt, and the total amount of the payment requested.
8. *Number and title of appropriate account* being charged.
9. *Approval signature of the supervisor or other designated approval authority*.
10. *Approval signature for exceptions*, if required.

All requests for reimbursement must be supported by original itemized receipts, or acceptable electronic receipts, which must be submitted with the request for payment. The level of detail contained in an electronic receipt must be equivalent to that contained in an acceptable paper record.

Note: All meals require an itemized receipt as proof of payment. A credit card receipt alone shall not be sufficient.

To ensure that adequate internal control standards are met, a payment issued to reimburse hospitality and civic function expenses *shall be delivered directly to the payee*. Such payments shall **not** be delivered to any of the individuals involved in the approval or payment preparation process. When contracting with a vendor for catering, a purchase order must be submitted to the Finance Department **before** the event, along with the requisitions and any vendor proposal or estimate. After the event, the official and approving supervisor must request/authorize payment by submitting the supporting information as outlined above, and the check will be mailed directly to the vendor(s).

Hospitality while on Travel Status

The Travel Policy and the Hospitality & Civic Function Policy are separate and distinct policies.

A City employee, public official, or appointee on travel status who incurs hospitality expenses *must* claim such expenses in accordance with the procedures specified in this policy. A per diem meal must not be added to the travel expense form when a hospitality expense for the same meal has been submitted for reimbursement.

Payment/Reimbursement Procedures

Employees, public officials, and appointees who fail to attend approved functions or events after indicating an intent to attend, and after funds have been obligated or expended by the City shall be required to pay the associated costs for the function or event or reimburse the City for the amount spent, whichever is applicable.

C. Finance Department and Council Responsibilities

The City Council and the Finance Department will periodically (at least annually) review the implementation of this Policy and will provide policy interpretations and assistance to ensure effective and efficient implementation. Any exceptions will be subject to approval by the Mayor or Council whomever is applicable and Finance Department. Exceptions will only be made in particular cases where adequate justification is presented. However, in the interest of achieving maximum uniformity, exceptions will be permitted only in highly unusual circumstances.

VII. RESPONSIBILITIES

All City of Dover policies are to subject to the City of Dover Charter Part 1, Subpart A, Article II, Section 12 “Compensation and expenses – Mayor and Council and other elected or appointed officials,” whereas, “Members of the council, mayor and other elected or appointed officials shall receive reimbursement for actual and necessary expenses incurred when on official business as prescribed by city ordinance or policy” and; Part II Code of Ordinances Chapter 2, Article 1, Division 4 “Code of Conduct,” which is “applicable to all elected and appointed officials and to all employees of the City of Dover.” Any obligation incurred by a City of Dover employee, public official, or appointee contrary to this policy shall become the personal obligation of the employee, public official, and/or appointee.

VIII. RESCISSIONS

This Policy rescinds and supersedes any and all previous policies, memorandums or other documents governing hospitality and civic function expenses as described herein.

Adopted by Council OCTOBER 27, 2003

Revised Hospitality & Civic Function Policy Adopted by Council June 14, 2004

APPENDIX A**MAXIMUM RATES FOR HOSPITALITY**

The maximum per person expenditures for individuals being entertained and for a City employee, public official, or appointee who is the official host or who is a participant at the request of the official host, shall not exceed the following amounts:

<i>Meal</i>	<i>Maximum Rates</i>
Breakfast	\$20.00
Lunch	\$25.00
Dinner	\$50.00
Light Refreshment	\$15.00

Footnotes:

1. Reimbursements of expenses shall be limited to the actual costs incurred.
2. These amounts include tax and service (i.e. tips).
3. With regards to functions/events covered by this policy that exceed the maximum rates, the City will pay the amount as indicated on the invitation, agenda or meeting notice.

Approval of exceptions will follow the process as outlined in Section VI, C.