



Administrative Directive

Title: Food, Beverage and Refreshment Expense Guidelines		Index Number: AD 4.05
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1.0 Purpose and Need

This directive sets forth guidelines for the purchase of food, beverages, and other refreshments at the City's expense during the course of conducting local City business. This directive does not apply to reimbursement for food while on an official City business trip (see A.D. 4.06) or for facilities that serve food as a normal part of their operations.

2.0 Administrative Directive

1. Provided funds are available in the approving department's budget, food may be purchased as part of the following activities:
 - a. preplanned, documented training classes;
 - b. wellness activities;
 - c. City sponsored public programs, events, or operations;
 - d. meals associated with programs of professional organizations; and other
 - e. work-related events sponsored or approved by the Department Director.
2. Food may be purchased, with approval of the Department Director, for meetings that cannot otherwise be conducted during regularly scheduled work shifts and it is necessary for City staff to work before or after scheduled work hours or through their lunch period.
3. Refreshment costs for division meetings or regularly scheduled or recurring staff meetings, and celebrations such as birthdays, retirements, welcome, and other similar events, are the responsibility of the individuals sponsoring the event and are not a City reimbursable expense. Refer to AD 1.21 for direction concerning food and beverage purchases for recognition events.
4. The Department Director shall be responsible for ensuring that any payments for food, beverages, and refreshments approved pursuant to this directive do not violate the State and Local Government Conflict of Interests Act, Virginia Code §§ 2.2-3100 – 2.2-3127. If the Department Director has any questions concerning the Conflict of Interests Act, he or she shall direct such questions to the City Attorney.

3.0 Procedure to Accomplish Administrative Directive

1. It is the responsibility of each respective Department Director or designee to approve the food expense prior to expending money to provide food, beverages, or refreshments during the course of conducting local City business.
2. It is the responsibility of the Finance Department:
 - a. to pay vendors or to make reimbursements for food expenses that meet the requirements of this directive.
 - b. to monitor food expenses requests made under this directive. If the number of requests increases substantially, then the Director of Finance will determine the reason for the increase.

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3. Department Director approval is not required for a business meeting or function hosted by the Mayor, City Manager, or Deputy City Managers.
4. When food or catering services are being purchased for an event where the following three conditions are met, then the City is exempt from paying the Virginia Sales and Use Tax (Ref Virginia Department of Taxation Tax Bulletin 16-3):
 - The provision of the applicable prepared meals, catering, or services furthers a function, mission, service, or purpose of the governmental or nonprofit entity; and
 - The charge for the food, meals, or catering is billed to and paid for by the entity claiming exemption from the tax with payment drawn from the entity's account, rather than using cash or an individual's account; and
 - The entity claiming the exemption determines to whom, when, and how the meals or food are served and consumed.

To clarify, if the above food is paid for by an individual using cash or a personal credit card, and the individual is reimbursed by the City, then the food is not sales tax exempt.

The City is not liable for paying the Local Meal Excise Tax on food. It must be requested that the local tax be removed from the bill. As a practical matter, many restaurants are not equipped to remove the local meal tax. Since 100% of the tax that is collected comes back to the City, the City will not pursue its removal from the bill if it represents a hardship on the merchant.

5. For delivered orders, ensure that the delivery price is negotiated and included in the purchase order agreement. The City discourages the use of an added gas charge in addition to a delivery charge for food, beverage, and refreshment orders.
6. When it is necessary to buy food, beverages, or refreshments in the conduct of City business, the per person expense should not exceed the GSA per diem rate currently in effect for the City of Virginia Beach based on the meal breakdown chart for the specific meal being provided. The GSA per diem rate currently in effect for the City of Virginia Beach may be found here: <https://www.gsa.gov/portal/category/100120>. The meal breakdown chart may be found here: <https://www.gsa.gov/portal/content/101518>. The cost of between-meal refreshments should not exceed \$7.00/person. These amounts will be reviewed periodically. The Department Director can override these amounts if it is deemed to be a business necessity, which shall be documented in writing.
7. The City does not support and/or encourage the use of alcoholic beverages. It is recognized that in certain business-social settings a limited serving of such beverages may occur as part of expected business social grace. The purchase of alcoholic beverages may be permitted by written approval of the City Manager or designee and only when the City is hosting official guests of the City, or is sponsoring a public or community relations event, or in order to promote the City and enhance economic development and sustainability as permitted in HR Policy 6.15, section 4.5.
8. City payment for food, beverages, and refreshments requires the following documentation to be submitted to the Department of Finance/Accounts Payable:
 - a. Original receipts;
 - b. Signature of Department Director or designee on payment voucher;
 - c. Log book and monthly statement if purchased by credit card;
 - d. Full details of the type of meeting and reasons why the expense was necessary to carry out City business and the number of people attending if a City-sponsored event;
 - e. Date and location of the meeting/function.

This documentation must be provided regardless of the source of funds used to make the food purchase, e.g. petty cash, payment voucher, credit card or personal reimbursement.

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4.0 Responsibility and Authority

1. Certain responsibilities of the Department Director and Finance are outlined as part of the procedures in Section 3 above.
2. It is further the responsibility of each respective Department Director to appoint a designee, if desired, to approve food expenses on behalf of the Director.
3. This directive may be amended at any time.

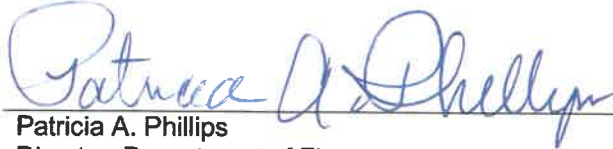

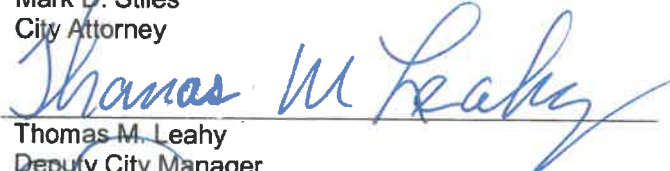

5.0 Definitions

1. **Approved food, beverage, and refreshment expenses** - food expenses that occur in the conduct of local City business which meet the requirements of this directive and are approved by the Department Director or designee.
2. **Designee** – a person given the authority in writing by the respective Department Director to approve food, beverage, and refreshment expenses.
3. **Refreshments** – a light snack typically costing less than \$7.00 per person.

6.0 Specific Requirements

Approval from the respective Department Director or designee is required prior to the purchase of food, beverages, or refreshments as addressed in this directive.

Any deviation from this directive requires a written request from the Department Director. Finance approval in advance is required. In the event of a denial by Finance, the Deputy City Manager may serve to review the request.

Approved as to Content:	 Patricia A. Phillips Director, Department of Finance	<u>March 17, 2017</u> Date
Approved as to Legal Sufficiency:	 Mark D. Stiles City Attorney	<u>3/21/17</u> Date
Approved:	 Thomas M. Leahy Deputy City Manager	<u>4/12/17</u> Date
Approved:	 David L. Hansen City Manager	<u>4.13.2017</u> Date