



KENTUCKY STATE UNIVERSITY POLICIES AND PROCEDURES

POLICY TITLE:

Entertainment Expenses Policy

VOLUME, SECTION & NUMBER:**ENTITIES AFFECTED:**

All Divisions and Departments

ADMINISTRATIVE AUTHORITY:

Finance and Administration

APPROVED BY:

Office of the President

EFFECTIVE DATE:

July 8, 2024

POLICY STATEMENT:

Kentucky State University (KSU) permits expenditures for meals and entertainment given to guests, visitors, volunteers, donors, faculty, staff, students, and other individuals to conduct bona fide KSU business.

PROCESS:

KSU will pay for ordinary and necessary expenses to entertain business guests in accordance with IRS regulations, provided they are:

- Related to official KSU business, with a clear business purpose;
- Substantiated;
- Allowed by KSU policy; and
- Approved by an appropriate KSU official

Entertainment includes any activity generally considered to provide entertainment, meals, amusement, or recreation. Business guests may include donors or prospective donors, employees for special recognition, prospective employees, visiting dignitaries, or lecturers.

Expenditures for business meetings may be incurred in connection with meetings of employees to conduct official KSU business. At least one KSU employee or other individual representing KSU must be present at any business meeting that includes non-University people.

Expenditures for entertainment may be included with events that are primarily social or recreational activities in support of the KSU's mission. Such activities must support an underlying KSU business purpose, such as promoting goodwill, donor cultivation, etc.

Expenditures for other occasions may be incurred when associated with official employee morale-building and appreciation activities that serve a KSU business purpose. Examples include a gathering to honor a retiring employee or employee separating after at least five (5) years of service, employee recognition receptions, and an annual faculty/staff picnic.

KSU funds may not be used under any circumstances for personal occasions such as employee birthdays, weddings, anniversaries, showers, or similar events. Additionally, working lunches or refreshments provided at a regular staff function do not have sufficient justification for the use of KSU funds.

RELATED POLICIES:

Accountable Plan for Employee Expenses Policy

STATUTORY AND REGULATORY REFERENCES:

IRS Publication 463 (2023), Travel, Gift, and Car Expenses
