

**Hospitality expenditures**

Hospitality is defined as the expense of state funds for the reception of guests by a spending agency for a specific event or function related to conducting state business. Object code 042 is intended for the payment of expenses relating to hospitality events. State funds should not be expended for meals or other hospitality related expenses for state employees. However, there are occasions when the expenditure of state funds directly benefiting state employees is allowed.

For example:

- A hospitality event hosted by a spending agency where state employees may attend as registered attendees, host/hostess or other supporting positions.
- A hospitality event where state employees are required to meet from various geographical locations for specific business purposes.
- A hospitality event where state employees meet with a candidate for an open position within the spending agency. These expenses should not be social in nature.
- Entertainment of guests and authorized state employees relating to the economic development of the State.

Object code 042 should not be used for student activities or for employee appreciation events. The appropriate object code for these events would be object code 051.

Student activities are those held to promote a social atmosphere at state colleges and universities and are held for the direct benefit of the students.

Employee appreciation events are held for a specific function or event directly addressed and permitted by, or within, state government. Public Employee Recognition Week would be an example. Expenses for employee appreciation events would consist of food beverage, and related expenses. Expenses can not be made from a General Revenue source. Approval for expenditure of state funds for an employee appreciation event must be accompanied by approval from the agency head or be specifically addressed and permitted in the funding source. The Auditor’s Office reserves the right to approve or disapprove a request to expend funds relating to employee appreciation.

Invoices must be accompanied with the following information:

- What was the event?
- Who attended?
- When did the event take place?
- Complete itemization of food and beverage (alcoholic beverages are not permitted)

The expenditure of state funds should never be used for birthday parties, retirement parties, Christmas parties or other similar events. These events should be paid by employee contributions.