

Financial Management Circular:	#2007-2
Effective Date:	February 15, 2007
General Subject:	Purchases related to state sponsored functions
Specific Subject:	Authorization for incurring refreshment and meal expenses
Authority:	IC 4-12-1-13
Application:	This circular applies to all instrumentalities (hereafter referred to as "State agencies") of the Executive Branch, boards and commissions.

Section 1: Introduction - State agencies routinely sponsor, support, or attend various activities (referred to as "functions") such as board and commission meetings, conferences, hearings, retreats, seminars, training functions, workshops, and other events. These functions can be attended by board and commission members, state employees, state contractors, the media, legislators and other elected officials, members of the general public, etc. This Circular outlines the circumstances whereby State agencies may spend public funds on simple refreshments and light meals for these functions.

Section 2: General policy guideline - Situations may arise when prudent judgment, customary business practices, common social courtesies, and State agency needs would suggest that the provision of simple refreshments and light meals is appropriate. As is true for any expenditure, the decision by a State agency head to spend State agency funds on simple refreshments and light meals requires prudent and appropriate discretion and will be situation and fact sensitive.

The following list contains examples of circumstances where the purchase of simple refreshments or light meals with State agency funds is not appropriate. This is not an exhaustive list:

- Birthday, holiday, going-away, and/or retirement parties.
- Office refreshments.
- Meals during job interviews, other than those that qualify as travel expenses.
- On-campus meetings at which only State employees are present.

The following general policy is provided as a guide to approving these expenditures:

State Budget Agency policy is to permit a State agency head to authorize the expenditure of State agency funds at state functions for "simple" refreshments and "light" meal expenses. The standard to use for gauging the appropriateness is *whether the provision of simple refreshments and light meals is reasonable and necessary in the due course of*

transacting legitimate State business for the purpose of furthering the State's mission to efficiently and effectively provide high quality services to Indiana citizens.

Section 3: The following list contains examples of common, and generally acceptable, "simple" refreshments and "light" meal items:

- Coffee, tea, bottled water, juice, milk, soft drinks.
- Pastries, donuts, fruits.
- Box lunches, sandwiches, chips.

Section 4: State agency funds may never be spent on alcoholic beverages.

Section 5: Payment for expenses related to this Circular – State agencies purchasing items per this Circular are to follow normal procurement methods. Payment by the appropriate process should be made to the applicable fund center(s) which should bear or share in these expenses.

Section 6: This Circular rescinds FMC #98-1.

Approved:



Charles E. Schalliol, Director
Office of Management & Budget