

Food and Beverage Procedure

Updated April 2019

This Food and Beverage Procedures document below (the “F&B Procedures”) provides guidance to City employees and elected officials on allowable expenditures of public funds, including grant funds, for food and beverage purchases. Generally, food and beverage purchases are not allowed. Exceptions when food and beverages are allowable are stated below. In all cases, food and beverage purchases must meet public purpose expenditure guidelines defined as:

1. **A public purpose.** Public purpose is defined by the Minnesota Supreme Court as the following:
 - a. There is public purpose if the activity will benefit the community as a body
 - b. There is public purpose if the activity directly relates to the functions of government
 - c. There is public purpose if the activity does not have, as its primary objective, the benefit of a private interest

2. **Authority.** Specific or implied authority for the expenditure must be in State statute or in the City’s charter. Specific authority is usually clear; if it is not clearly stated as an allowed expenditure, you should contact the Controller for clarification of policy and procedures before making the expenditure. The Controller may involve the City Attorney’s office in a unique situation.

City staff must be cognizant of the potential for abuse in the purchase of food and beverages and must closely monitor the appropriateness of such expenditures. To minimize food related expenditures, employees should make every effort to schedule general business meetings or conferences at City offices and during customary business hours, not over lunch time. Whenever possible, meetings shall be scheduled to minimize inclusion of meals or to allow for an unpaid meal break. If food and beverages are allowable, the cost of meals and refreshments should not exceed the permitted rates included in F&B Procedures.

The City may not pay for food and beverages for employee spouses or other employee guests who attend a non-public meeting or event. The expenditure of public funds to purchase alcohol is not permitted.

In addition to other requirements in the F&B Procedures, breakfast will be allowed only if the meeting or event start time is a minimum of one hour prior to normal starting hours. For example, if a department or division’s work hours start at 8:00, the meeting must start at 7:00 or earlier to qualify for food and beverage expenditures. For field staff that normally start at 7:00, the meeting must start at 6:00 or earlier to qualify. Meals for meetings that occur after typical work hours will be handled on a case by case basis.

Food and beverages eligible for purchase or reimbursement while in travel status, either local or long distance, are excluded from these F&B Procedures and are addressed in the [Local](#) and [Overnight](#) Travel Procedures.

Questions about the F&B Procedures should be directed to the Controller or Internal Controls Finance Manager in the Finance and Property Services Department.

Providing food and beverages with City funds is **not** an allowable expenditure except under the following exceptions:

ALLOWABLE FOOD AND BEVERAGE

The purchase of food and beverage is allowable if it meets all criteria of the Public Purpose Expenditure guidelines, AND one or more of the following:

1. Public Outreach Programs (Program) held for the public's benefit where most of the program participants are not City employees, and
 - a. The Program is open to Minneapolis residents and property owners; and,
 - b. The purpose of the Program is to serve the public through education, training, or the provision of specific services.
 - c. To be considered a Program eligible for the expenditure of food and beverages, the Program must be pre-approved through one of two methods. One method to be pre-approved is through the annual budget process in which departments will separately describe (to the CFO only in writing by September of each year for the following budget year) the on-going and new Programs for the following fiscal year, the amount of food and beverage designated in each Program, and the budget source for the expenditure. The second method for Program approval for food and beverages requested after the beginning of a budget year is to submit to the Chief Financial Officer (CFO) and the City Coordinator with a specific detail of the expenditure and budget source for the expenditures. When actual invoices are submitted to Finance for pre-approved events, the submission shall contain details on the list of attendees, menu by line item, and vendor (including efforts for Target Market Program and diverse spend vendor participation).
 - d. A Program must include a majority of attendees from the public. Rare exceptions for Programs in which the majority of attendees are employees may be considered but must be approved in advance by the department head and Finance Department. Such exceptions could include pre-planned and budgeted major City events (i.e. the Super Bowl).
 - e. Council member ward meetings are considered a Program.
2. Public Meeting held for the public's benefit where most of the meeting participants are not City employees or appointed committee members, and
 - a. The meeting has a structured agenda with a topic related to the Official Business of the City of Minneapolis, and
 - i. Official Business means meetings that are:
 1. Directed or approved by the City Council;
 2. Part of a City promoted initiative approved by the City Council; or
 3. Are required by Charter or Ordinance
 - b. The meeting is open to the public and the public is invited to participate in discussion.
3. Official meetings of the City Council or Council Committee:
 - i. When the meeting does not allow for interruptions for meal breaks
4. Annual department meeting with a formal agenda and presentation for purpose of:
 - a. Department goal setting and planning; or
 - b. If a department is not able to meet in a single meeting, each department will have access to a set amount of funds each year to hold individual division meetings for goal setting and planning purposes. The annual amount in total for the division available will be the average

number of employees times the current GSA dinner per diem for Minneapolis verified by Finance and Property Services.

- c. All single department or separate department/division meetings must qualify as public purpose. The funds shall be distributed equitably among all employees so that all employees are invited to participate. No gift cards, gifts, or trinkets may be purchased for employee recognition with City funds. No alcohol may be purchased. No meals or beverages are allowed for spouses and third parties.
5. Safety or certification training that is required (for example OSHA and POST required trainings, regulated positions mandated certifications) only when the training lasts more than four hours and it is more efficient to provide food rather than break for an employee paid meal due to location of training and time constraints
6. Certain election activities when employees are not allowed to leave their polling place or election location for six hours
7. Interview panels and applicant testing when the interviews or testing lasts longer than six hours continuously
8. Emergency response centers are activated due to a natural disaster, public safety threat, or City sponsored major event
9. Grant funded food and beverage purchases must meet all requirements of the F&B Procedures unless the grant document specifically allows for food or beverage expenditures outside of this policy. In those limited cases, a copy of the grant documentation must be provided to Finance prior to the purchase
10. Employee Support Events may purchase snacks for events that:
 - a. Are open to all City employees and all employees receive advance notice of the event;
 - b. Are approved by the City Coordinator
 - c. Are held at a City facility (food for off-site events is not allowed)
 - d. The snack cost must fall within the per diem amount under Allowable Meals and Rates 2.d)
 - a. below.

ALLOWABLE MEALS AND RATES

1. Payment shall not be allowed for more than one meal per day unless it is related to an emergency or a major event. Exceptions may be requested to the CFO 20 days in advance for certain trainings with extended hours with a response from the CFO within five business days.
2. Allowable reimbursement rates for meals and beverages The GSA per diem rate can be found at: https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup/?action=perdiems_report&state=MN&fiscal_year=2019&zip=&city=
 - a) Breakfast – Up to a maximum of the current GSA per diem breakfast rate applicable to Minneapolis. 2019 Rate is \$18.00. This rate includes all taxes, tips, service fees, and delivery charges. If snacks or beverages are purchased in addition to a meal, they are included in the per diem amount.

- b) Lunch– Up to a maximum of the current GSA per diem lunch rate applicable to Minneapolis. 2019 Rate is \$19.00. This rate includes all taxes, tips, service fees, and delivery charges. If snacks or beverages are purchased, they are included in the per diem amount.
- c) Dinner/Supper (meals after 5:00 p.m.) – Up to a maximum of the current GSA per diem dinner rate applicable to Minneapolis. 2019 Rate is \$34.00. This rate includes all taxes, tips, service fees, and delivery charges. If snacks and beverages are purchased, they are included in the per diem amount.
- d) Snack foods and beverage are allowed only when a meeting or event qualifies under ALLOWABLE FOOD AND BEVERAGE section above and the event lasts longer than three hours.
 - a. If only snacks and beverages are served: Up to a maximum of 50 percent of the current GSA per diem breakfast rate applicable to Minneapolis. 2019 Rate is \$9.00 (\$18.00 X .50) This rate includes all taxes, tips, service fees, and delivery charges. Snacks may be purchased for meetings, events, or programs that meet the criteria above.
 - b. If snacks and beverages are served at any time during the meeting time in addition to a meal: The cost of snacks and beverages shall be included in the maximum applicable meal rate identified above.

PREAPPROVAL REQUIREMENTS

Advance approval is required before purchasing food and beverages as follows:

1. Over \$500 – Department Head or designee must approve in advance in writing all food and beverage purchases over \$500. The requesting department will be expected to retain documentation of approval and submit it with invoices for payment.
2. Over \$1,000 – After department head approval, Chief Finance Officer must approve in advance in writing all food purchases over \$1,000 except election related food expenses. Approvals must be submitted 15 days before the event and responses will be provided within five business days. A department may submit approval to the CFO for multiple requests at the beginning of the year. These requests can include a full list of Programs, public meetings, annual department/division meetings with expected dollar amounts, public purpose rationale, number of attendees and previous year documentation of cost, menu and expected attendees. The requesting department will be expected to retain documentation of pre-approval and submit it with invoices for payment. When actual invoices are submitted to Finance for pre-approved events, the submission shall contain details on the list of attendees, menu by line item, and vendor (including efforts for Target Market Program and diverse spend vendor participation).
3. Elections – City Clerk can provide one written approval for all election related food expenses. CFO approval is not required.
4. Requests for food and beverages not explicitly allowed under this policy that meet all Public Purpose requirements may be submitted in writing 20 days prior to the event to the CFO for consideration and responses will be provided within five business days. The request must include a statement from the department head indicating how this request meets Public Purpose and why the department head feels it should be approved along with a detailed outline of the event.

PURCHASING AND PAYMENT PROCEDURES

The following procedures must be followed for all allowable and authorized food purchases:

1. P-Card is the preferred method to make the purchase. If a P-Card purchase is not possible, reimbursements of up to \$500.00 will be allowed for eligible costs.
2. Approval must be submitted for payment with 10 days of purchase
3. The following documents must be attached to the voucher or P-Card statement:
 - Pre-approved request for expenditures over \$500.00 (Department Head) or over \$1,000.00 (CFO);
 - Statement of the public purpose of the expense;
 - List of attendees of the meeting or event where food is served;
 - Agenda for the meeting or event including start and end times;
 - Original itemized receipt of the purchase.
4. City staff are required to use target market vendors for food events in City Hall and other City facilities as well as places where a specific caterer is not required for that venue.

OTHER CONSIDERATIONS

Per Minnesota Statute 471.382, a person making an unauthorized charge is personally liable for the purchase. For City purposes “a person making” means the person authorizing or directing the purchase, which may not be the person actually making the purchase.

EXAMPLES:

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| EXAMPLE 1 | <p>The accounts payable department has met its monthly goal for efficient processing of transactions and is considering holding a recognition lunch within the City offices. The cost for a local food vendor to pay for this meal is \$10.00 per person. Should the City funds be used to pay for this event?</p> <p>No. This event constitutes an unplanned staff meeting and is reserved to a single department and not to all City employees. The purpose of this event is not goal setting or planning. Departments cannot use City funds to purchase food for this kind of a celebratory event.</p> |
| EXAMPLE 2 | <p>A City department is interviewing candidates to fill an open position. They have a full schedule throughout the day. In order to maintain the flow of the interview process and avoid overtime, the supervisor orders box lunches for the interview panel and charges them on P-Card. Is this within City Policy?</p> <p>Yes. This qualifies under section 7 of the Food and Beverage Procedure. Meals may be provided to the interview panel members if their schedule exceeds 6 work hours and does not allow for an uninterrupted meal break. The cost of the meal must comply with allowable rates guidelines.</p> |
| EXAMPLE 3 | <p>A City department is holding a departmental meeting to inform and review issues and departmental milestones. The manager provides snacks and beverages as an incentive for higher attendance. Is this allowable?</p> <p>Yes. Per Section 4 of the Procedures a department may use City funds to pay for food items during a meeting for goal setting and planning purpose. Some restrictions apply in this scenario. Each department may hold such a meeting <u>once per year</u>. If a department is too large to meet all at one time, it may hold individual division meetings instead, one meeting per year per division. Food and beverage expenditures for such meetings are subject to an annual limit.</p> |
| EXAMPLE 4 | <p>An employee is retiring and the department head is planning a retirement party. They are planning to purchase a cake, some fruit and drinks. Can this expense be paid for with City funds?</p> <p>No. The event is held for celebratory/recognition purpose and does not meet the public purpose criteria.</p> |
| EXAMPLE 5 | <p>Park Board is holding a community outreach event where the majority of participants are members of the community and not City employees. Organizers put together a banquet with snacks and refreshments to attract more participants. Can City funds be used to pay for the food items?</p> <p>Yes. The main purpose of the event is to serve the community and the main participants are community members. This meets the requirements of the public purpose doctrine and City funds can be used for food purchase.</p> |
| EXAMPLE 6 | <p>An all-day training session is scheduled for a group of 50 new hires. The training has been pre-approved by the Human Resources Department. The training extends over a lunch break. Can City pay for a catered lunch at a cost of \$9.50 per person?</p> <p>No. New hire orientation training does not fall under Section 5 of the Food and Beverage Procedure. Arrangements should be made to allow for an unpaid meal break.</p> |
| EXAMPLE 7 | <p>An early voting committee is explicitly required to stay on premises during lunch break to complete work. Can Elections and Voting Services purchase box lunches and pay with a P-Card?</p> <p>Yes. Since election employees do not have an option to leave premises in order to get food and are required to forgo their usual lunch break, lunch paid with City funds is allowed. Spending limits described above apply.</p> |