



# Office of Budget and Management

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Governor

Timothy S. Keen  
Director

**To:** All State Agencies, Departments, Offices, Boards, and Commissions

**From:** Timothy S. Keen, Director, Office of Budget and Management TK

**Date:** December 21, 2012

**Re:** Guidelines for Hosting or Sponsoring Meetings and Other Events

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The purpose of this memorandum is to provide general guidance for agencies, offices, boards and commissions (hereinafter “agency”) when hosting or sponsoring any meeting, conference, retreat, board meeting, convention, or similar gathering (hereinafter “Event”).

In 1999, authority was established in statute permitting the OBM Director to issue guidance in this area. The authority can be found in ORC 126.31(D):

The director of budget and management may establish by rule adopted in accordance with section 111.15 of the Revised Code or by guidelines the allowable expenses a state agency may incur to host or sponsor any meeting, conference, retreat, board meeting, convention, or similar gathering and the manner in which and the rates at which the state agency may incur those expenses. A state agency shall comply with any rule or guideline adopted under this division.

Additional authority to approve such expenditures is derived from ORC 126.07, 126.08(A) and 126.21(8).

In addition, guidance regarding payment of non-travel meals has been previously established by Attorney General Opinion 1982-006, which provides that a legal expenditure must satisfy two criteria:

1. The expenditure is **for a public purpose**: the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants ***and***,
2. If the agency determines that such expenditures are ***necessary to perform a function or to exercise a power expressly conferred upon it by statute or necessarily implied therefrom*** and if such determination is not manifestly arbitrary or unreasonable.

**If an expenditure does not clearly meet the above two criteria, it should not be made.**

**Definitions:**

- “Event”: State-sponsored meeting, conference, retreat, board meeting, convention, or similar gathering.
- “Public funds”: Include all dollars from local, state or federal funds as well as moneys paid into agency rotary accounts.
- “Necessary”: Expenses other than food will be considered necessary only if the purchase is an essential, integral part of an event that is required or is within the authority of the agency. Food expenses will be considered necessary if the event lasts longer than four hours and extends into a traditional meal period. The purchase of food is also considered necessary if the absence of meals would cause logistical and operational challenges to the effective attainment of the meeting objectives or would result in additional cost to the State.
- “Reasonable cost”: Event expenses are required to be reasonable in cost based upon a cost competitive and fact based selection process. Food expenses that do not exceed the applicable meal per diem as shown in the Continental United States (CONUS) rates, which are established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) (rates are based on the location where the meal is served) will be deemed “reasonable” under this policy.
- “Food expenses”: Include all expenditures for foods, as well as for refreshments such as juices, coffee or bottled water and for products or other supplies associated with the serving of food at a meeting or conference.
- “Appropriate expense account codes”: Only certain Account Codes may be used when coding Event expenses for payment. The following Account Codes must be used:
  - o 520505 Food and Food supplies
  - o 520505 or 520501 Gratuity
  - o 527800 Rent (and Equipment provided by the meeting site)
  - o 527401 Other Office Equipment Rental

**Allowable Event Non-Food Expenditures**

- Speaker Fees – must be supported by a signed Personal Service Contract that includes the terms of any travel reimbursement for the speaker. Travel reimbursements should not exceed the rates set forth in the OBM Travel Rule. (See OBM Financial Process Manual on the OBM Website for further details regarding personal service contracts)
- Facilities – Agencies are encouraged to obtain free space whenever possible. In all cases, expenditures should be based upon a cost competitive and fact based selection process or utilizing the State Term Schedule (STS). Consideration should be made to timing events to take advantage of off season rates.

- Equipment – Where possible, State owned meeting equipment and supplies should be utilized. Rental rates and all other applicable costs associated with the Event billed from the facility where the Event was conducted should be included in the meeting space rental charge. Equipment not included should be charged separately as indicated above.
- All DAS purchasing guidelines and Directives must be followed when planning, scheduling and committing funds for an Event.
- Cancellation Fees – All effort should be made to avoid cancellation fees through careful planning and negotiation.

**Allowable Food Related Expenditures:** Expenditures of public dollars for Events and non-travel food expenses are allowable only when the expenditure serves a public purpose and is deemed necessary and is of reasonable cost. Allowable expenses include:

- Food expenses for which the costs have been fully covered by a registration fee or a payment by the meeting participant(s). Food expenses incurred by employees who do not pay the registration may be included if they are integral to the meeting/conference, e.g., an employee who conducts a workshop/presentation at the conference. The Agency fiscal department must ensure that employees do not request meal reimbursement in addition to receiving any meeting meal.
- Food expenses for meetings that involve persons who are not state employees, but who are assisting or supporting the state agency for a necessary purpose, e.g., volunteer consultants (food expenses of state employees may be included if they are integral to such an Event).
- Food expenses for public safety first responders engaged in public safety related duties who are not already on travel status (and therefore receiving meals) and/or who are not part of a labor contract providing food when overtime is greater than four hours during the response to an emergency (and therefore receiving meals).
- Food expenses covered by federal grants or other federal funds, when specific legal authority from the granting entity allows the use of the federal funds to cover food expenses.
- Food expenses related to training of law enforcement, emergency personnel or National Guard employees, if there is no option for leaving the training site for meals. However, if an employee is already receiving per diem reimbursement, then these expenditures are prohibited as to those employees.
- Food expenses necessary for infrequent strategy or planning meetings, typically held at an off-site location. These meetings may include some participants who are in approved travel status and would otherwise have been eligible for reimbursement of meal expenses.

**Prohibited Food Related Expenditures.** The following food expenses are specifically prohibited:

- Food expenses for regular recurring agency, board, commission, task force, advisory committee or other equivalent meetings or events where the meeting lasts four hours or less.
- Working lunches (or other snacks, beverages or meals). Participants are expected to provide their own meals for working lunches since they would have provided their own meals but for the meeting.
- Alcoholic beverages.
- Entertainment.
- Meals for staff (or others) that are not necessary/essential to the event, including for spouses, grantees or vendors.
- Charitable functions.
- Political functions.
- Employee recognition.
- Volunteer recognition.
- Thank-you events.
- Events where the registration fee does not fully cover food expenses unless the food expenses are otherwise allowable in accordance with this policy.
- Food expenses in excess of the rates established in the OBM Travel Rule.
- Food expenses for “no shows”, i.e., persons who were scheduled to but did not attend the event.

**Agency Food Related Event Allowance:**

- Events shall be held to achieve program and agency objectives and shall be limited to reasonable and actual costs. In order to promote ownership and sound fiscal management, the Director of each agency may expend up to a set dollar amount per fiscal year in food expenses for Events if he/she determines that food expense is allowable as outlined above. The set dollar amount is determined based on agency size as described below.

<b>Set Dollar Amount</b>	<b>Agency Size</b>
\$5,000	2,000 employees or greater
\$4,000	1,000 – 1,999 employees
\$1,500	500 – 999 employees
\$1,000	Less than 500 employees

Attachment 1 provides a list of agencies, grouped by their set dollar amount, for Director expenditure. Expenses will be allotted to a fiscal year based on date of payment.

- In order to qualify under this provision, the expenditures must be properly charged to the “appropriate expense account code”. The Director of the agency must, in advance of the proposed expenditure, certify in writing to the Director of Budget and Management that the purchase is for a public purpose, is necessary and is of reasonable cost. The certification must include an agreement to submit all required documentation at the conclusion of the event, including: the meeting/conference agenda, registration form, attendee list, itemized invoice, revenue deposit sheets (if applicable), and certification from the agency Director that all requirements of this policy have been followed. The Event Compliance Certification form is available on the OBM website for this purpose.

**Approval of Food Related Expenditures in Excess of Allowance:**

Any single expenditure, or a cumulative annual expenditure, in excess of the set dollar limit must be approved in advance of the event by OBM. The request for approval must be received by OBM at least three weeks prior to committing to an expenditure associated with the event. All supporting documentation for the prospective event should be forwarded to the OBM Account Examiner assigned to the agency. This supporting documentation shall include a signed Event Compliance Certification form and detailed information regarding the meeting purpose, preliminary agenda, estimated costs by type of expense (i.e., meals, rent, lodging), meeting location, and anticipated number of attendees. The Account Examiner will work with OBM management to evaluate the appropriateness of the event.

If the restrictions in this policy conflict with a current collective bargaining agreement, the terms of any such agreement will prevail.

This guidance does not apply to reimbursement for meals which are addressed by the OBM Travel Rule, OAC 126-1-02.

If you have any questions, please contact Aggie Howard at: [Aggie.Howard@obm.state.oh.us](mailto:Aggie.Howard@obm.state.oh.us).

These guidelines are effective January 1, 2013 and supersede any previously issued rules or guidance issued by OBM on this topic.

## Attachment 1

### FY 2013 Dollar Limits for Agency Director Expenditure

#### \$5,000 Dollar Limit (2,000 Employees or Greater)

Rehabilitation and Correction  
Transportation  
Job and Family Services  
Public Safety  
Developmental Disabilities  
Mental Health  
Natural Resources

#### \$4,000 Dollar Limit (1,000 – 1,999 Employees)

Workers Compensation  
Youth Services  
Taxation  
Health  
Environmental Protection  
Rehabilitation Services Commission

#### \$1,500 Dollar Limit (500 – 999 Employees)

Commerce  
Veteran Services  
Administrative Services  
Education

#### \$1,000 Dollar Limit (Less than 500 Employees)

Industrial Commission  
Agriculture  
Development  
Liquor Control  
Adjutant General  
Insurance  
Budget and Management  
Alcohol and Drug Addiction  
Aging  
All other State Agencies, Departments, Offices, Boards and Commissions

NOTE: Agencies are assigned to a set dollar limit based on employee count in the DAS Monthly Report – Number of State Employees dated June 15, 2012. Assignment of agency dollar limits will be reevaluated prior to the start of each fiscal year beginning with FY 2014.