

Washington County
Requirements for Business Meals/Refreshments not Associated with Travel
Approved 8-25-2020

The expense requires approval by the Authorized Bill Approver, coded to Line Item 2005 Food, and meet the following IRS requirements. (See Travel Policy for requirements for meals while in Travel status on County business, which is Line Item 3094 Meals and Lodging.)

1. The expense is an ordinary and necessary business expense under Sec. 162(a) paid or incurred during the tax year when carrying on any trade or business;
2. The expense is not lavish or extravagant under the circumstances;
3. The department employee responsible is present when the food or beverages are furnished;
4. The food and beverages are provided to a current or potential business customer, client, consultant, or similar business contact; and
5. For food and beverages provided during or at an entertainment activity, they are purchased separately from the entertainment, or the cost of the food and beverages is stated separately from the cost of the entertainment on one or more bills, invoices, or receipts.

For restaurant meals, a receipt from a restaurant containing the name and location of the restaurant, the date, amount, number of people, business purpose of the meal, and the business relationship of each individual served should satisfy the substantiation requirements. Maximum of 15% tip allowed, unless a mandatory 20% tip is automatically added to the bill, then 20% is allowed. See attached form to aid with the documentation required.

Food and/or Refreshments (food, snacks, beverages) for a group meeting should have a receipt showing the items purchased, and documentation of the date, amount, number of people, business purpose of the meeting, and the business relationship of the individuals served. If delivered, the mandatory delivery fee is allowed and up to 15% tip for the driver is allowed. For orders over \$100, maximum of 10% tip allowed. See attached form to aid with the documentation required.

Water and hydration drinks for work crews should have a receipt and document purpose and group served. Write on receipt/invoice. May use attached form if not enough space on the receipt.

Food/drink for jurors, inmates, detainees, and other similar groups should have a receipt and document purpose and group served. Write on receipt/invoice. If meals are delivered, the mandatory delivery fee is allowed and up to 15% tip for the driver is allowed. For orders over \$100, maximum of 10% tip allowed. May use attached form if not enough space on the receipt.

Washington County, AR
Meal Expense - County Business Purpose

Vendor of purchase: _____

Location of expense: _____

Date of expense: _____

Amount of expense: _____

Business purpose of expense: _____

List names and business relationship of each person involved for restaurant meals. List name and business relationship of each group attending for group meetings/events. Attach another sheet if necessary.

Name:	Business Relationship
_____	_____
_____	_____
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Employee Name: _____

Elected Official/Dept Head: _____