

### **Clarification on Flowers and nominal items**

Flowers may be purchased as decorations for an Official Function or for major life events with the only limitation that the Approving Authority has approved them as “reasonable and moderate”, per the Official Functions definition.

A \$50 limit applies to nominal UW logo items.

### **Bartender Services**

Bartender services for an Official Function or Hosted Event are considered part of the alcohol charge. For example, a reception (not tied to a specific meal, processed as a Hosted Event) had the following expenses:

- \$500 food
- \$100 room rental
- \$1,000 alcohol
- \$150 bartender fee

The \$600 for food and the room rental would be allowable on UW funding. The \$1,150 for alcohol and bartender service would be charged to Foundation funding<sup>i</sup>, unless the event collected registration fees to offset these charges.

Payments for service fees follow the expense for which the service was charged, to the extent that can be determined.

Bartender fees may be paid on UW funding if there are no related alcohol charges (e.g. cash bar).

### **Multi-Day Events**

1. You do not need a separate pre-approval form for each day of a multi-day Official Function. A single pre-approval form can be used for all expenses related to a single Official Function. The description provided on the pre-approval form must sufficiently explain which expenses it covers.
2. The \$100/person meal limit applies to each meal served. You aren't limited to \$100/person across the entirety of the multi-day event. However, if multiple meals for the same event approach the \$100/person limit, it may raise questions as to how reasonable and moderate the expenses were.

### **Internal vs. External Contracts**

Contracts with external vendors must be signed by Purchasing Services. Contracts with internal vendors (e.g. the Union) may be signed by an appropriate departmental or divisional representative.

### **Documentation Requirements**

1. Official Functions or Hosted Events may require payments to be made at different times or by different sources. For payments of food and drink, the supporting documentation must show the full cost of all food and drink provided. This is to allow for monitoring of the \$100/person

limit. For example, a Direct Payment for the food portion of a Hosted Event must also include documentation of the alcohol portion, even though the alcohol payment was processed through e-Reimbursement. It may be necessary to include copies of the same source documentation with multiple payment mechanisms.

2. The **Official Functions Pre-Approval Form** is only required for Official Functions. Hosted Events and Business Meals do not require formal, documented pre-approval (although they are subject to a division or department's normal pre-approval procedures). The Pre-Approval Form must be signed by the Chancellor, a Vice Chancellor, a Dean, a Divisional Chief Financial Officer, or a delegated Divisional Business Office Executive.
3. The Events/Meal Payment form is required for all Official Functions, Hosted Events and Business Meals. The form itself is not necessary if all the information it requests is contained elsewhere in the supporting documentation.

### **Business Purposes/Definitions of Official Functions and Hosted Events**

It may be hard to determine whether an event qualifies as an Official Function or a Hosted Event. Don't lose sight of the spirit of the Official Functions policy. It is meant to cover expenses that don't inherently pass the "newspaper test" without additional explanation or support, but are related to UW business enough where it wouldn't be appropriate to use Foundation funding.

Treat every event as if it has the potential to be front page newspaper narrative. The approving authority should be prepared to defend the expenses as a proper use of related University funds to qualify as a Hosted Event or an Official Function. The distinction between the two is that an Official Function, on the surface may not appear to align directly with the University mission; however, it was fully vetted and pre-approved by an appropriate authority, falls within allowable Official Function parameters and general program revenue funds were not used to fund the event.

It is recognized that most Official Functions and Hosted Events will have a business and a social element. It is important to consider where on the "social vs. business" spectrum the event falls. If the event is intended for socializing and networking, it is more likely an Official Function. It may help to consider what the event would look like if the social element were stripped away. If the business would have still been conducted without the social element, it is likely a Hosted Event. If the social element is the main reason why participants showed up, it is likely an Official Function.

These aren't the only determining factors, yet are intended as helpful considerations in providing guidance. The determination requires the judgment and discretion of the Approving Authority and those involved with the event.

#### **Examples:**

1. The Division of Enrollment Management (DEM) has frequent student recruitment events. There is no alcohol and food costs are moderate and within state meal maximums. Recruitment events are specifically listed in the Official Functions policy. Despite that, DEM could consider these to be Hosted Events because they directly serve the mission of the division. For an academic division, recruitment events would be considered Official Functions.

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2. A reception is held with alcoholic refreshments after an invited speaker's event. Faculty and other campus personnel use the reception as an opportunity to chat with the speaker about their work at the University. This would likely be considered a Hosted Event. Even though there was a social element to the event, there was business conducted that directly benefited the University. The alcoholic refreshments would need to be paid by the Foundation if there wasn't a registration fee collected to cover the costs of the event.

### Estimates

It will likely be necessary for the Approving Authority to review upcoming Official Functions based on estimates of both cost and number of attendees. This is acceptable. Significant deviations between actual attendance/cost and estimates would require a justification. Mitigating steps could include:

- Noting on the Pre-Approval Form a range of anticipated attendees/costs.
- Noting on the Pre-Approval Form the *maximum* amount the Approving Authority Authorizes.
- Submitting additional Pre-Approval Forms as amendments to the original, if circumstances/estimates change.
- Noting on the Pre-Approval Form an approved per-person amount, if attendance could be unpredictable.

When in doubt, use the description field on the Official Functions Pre-Approval Form to explain the need to rely on estimates.

Recognizing that funding sources vary between divisions, specific funding questions must be addressed by the Divisional Approving Authority as defined in the Official Functions policy.

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<sup>1</sup> Foundation Funds or WFAA Funds always means funds on deposit at the Wisconsin Foundation and Alumni Association. This does not refer to funds that have been deposited in a 233 fund.