Department of Justice
Office of Justice Programs

FOOD AND BEVERAGES POLICY
FOR GRANTS AND COOPERATIVE AGREEMENTS

September 30, 2011
OFFICE OF JUSTICE PROGRAMS
FOOD AND BEVERAGES POLICY
FOR GRANTS AND COOPERATIVE AGREEMENTS

TABLE OF CONTENTS

**Purpose and Overview**

<table>
<thead>
<tr>
<th>Section 1</th>
<th>Use of Funds to Provide Food and/or Beverages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 2</td>
<td>Rules for Grantee- and Cooperative Agreement Recipient-Provided Food and/or Beverages</td>
</tr>
<tr>
<td>Section 3</td>
<td>Food and/or Beverage Cost Thresholds</td>
</tr>
<tr>
<td>A.</td>
<td>Refreshments</td>
</tr>
<tr>
<td>B.</td>
<td>Meals</td>
</tr>
<tr>
<td>Section 4</td>
<td>Considerations When Providing Food and/or Beverages</td>
</tr>
</tbody>
</table>
Office of Justice Programs
Food and Beverages Policy
for Grants and Cooperative Agreements

Purpose and Overview

This Policy establishes rules for Office of Justice Programs (“Agency”) Grantees* and Cooperative Agreement Recipients* in connection with the use of appropriated funds to provide food and/or beverages (also referred to as meals and refreshments) at an event. Except as provided in this Policy, federal funds are not to be used to provide food and/or beverages.

This Policy does not require that federal funds be expended to provide food and/or beverages at federally funded meetings, conferences, and events. This Policy merely sets out the circumstances under which food and/or beverages may be provided, and the cost limitations that apply to those expenditures. Budgetary considerations should be borne prominently in mind when planning such events to determine the feasibility and prudence of expending federal funds to pay for food and/or beverages. Food and beverage costs can be significant at an event – pay careful attention to these costs and whether they are truly necessary for a successful event.

This Food and Beverage Policy is designed to complement other federal rules, and Agency guidelines, that govern various aspects of conferences, meetings, and similar events, held or funded by the Agency.

Finally, the examples contained in this Policy statement are not to be viewed as definitive, but rather as helpful illustrations to assist decision making in the context of event planning.

*Note: This Policy also applies to the use of federal funds by subrecipients, whose compliance is monitored directly by the Grantee or Cooperative Agreement Recipient; the Agency, in turn, monitors its Grantees and Cooperative Agreement Recipients to ensure compliance with the Policy.

Contact Information

If you have any questions regarding how to interpret this Policy or apply it to costs incurred under a grant or cooperative agreement, please contact the Office of the Chief Financial Officer at ask.OCFO@usdoj.gov.
Section 1  Use of Funds to Provide Food and/or Beverages

Except as provided in this Policy, appropriations administered by the Agency are not to be used to provide food and/or beverages.

- The rules for when a Grantee or Cooperative Agreement Recipient of the Agency may provide food and/or beverages are provided in Section 2.

- Where this Policy permits the provision of food and/or beverages, the cost of such food and beverages must 1) be reasonable, and 2) not exceed the applicable Agency-established cost thresholds provided in Section 3.

- Moreover, the circumstances under which food and/or beverages are provided (to whom, when, and in what manner) must be reasonable, so as to avoid even the appearance of wasteful spending on food and/or beverages. Requirements and considerations for mitigating such concerns are provided in Section 4.

Note: The rules for Agency-funded travel of federal personnel – including those for per diem meals and incidental expenses (M&IE) – are provided in the Federal Travel Regulations, at 41 C.F.R. chapters 300-304. The rules for travel funded through federal awards are provided in Chapter 14 of the OJP Financial Guide. [http://www.ojp.usdoj.gov/financialguide](http://www.ojp.usdoj.gov/financialguide). This Policy does not purport to govern federal personnel on official travel, or the federally-funded travel of grantee or cooperative agreement recipient personnel, except to note that all personnel receiving per diem allowances or reimbursements who are attending an event at which any full meals (e.g., continental breakfast, lunch, and/or dinner) are provided must deduct the cost of each such meal provided from their per diem allowances (and may not claim reimbursement for any such cost).
Section 2  Rules for Grantee- and Cooperative Agreement Recipient-Provided Food and/or Beverages

A grantee or cooperative agreement recipient may use its Agency funding to provide food and/or beverages when all of the following criteria are satisfied —

1. The provision of food and/or beverages is consistent with the award conditions and program guidelines, and the event at which they are provided is an allowable activity under the award.

2. The food and/or beverages provided are necessary to the event in that attendees would not be able to fully participate without food and/or beverage.
   
   • Food and beverages are necessary when there is a need to cover essential material in a limited time period, and due to the overall length of the event, it is impractical for attendees to seek refreshments or meals elsewhere without missing important event information (e.g., discussions, lectures, speeches). (See 5 U.S.C. § 4109.)
   
   • There should be several hours of substantive/instructional material presented before and after a refreshment or meal. When providing a full meal, substantive/instructional material related to the event topic must be presented during the meal for it to be considered necessary.
   
   • Food and/or beverages are not necessary when they are provided merely for the pleasure or convenience of the attendees.

3. The food and/or beverages are provided at the event under appropriate circumstances that minimize costs and prevent the appearance of waste and abuse of resources (see Section 4, below, for more information).

4. The cost of the food and/or beverages provided is reasonable, and does not exceed the following cost thresholds (see Section 3, below, for more information):
   
   a. **Refreshments**: The cost of refreshments plus any hotel service costs (e.g., labor costs for room setup, taxes, tips) plus the effect of your indirect cost rate (if applicable), cannot exceed 23% of the locality Meals and Incidental Expenses (M&I) rate per attendee per day; and
b. **Meals:** The cost of any meal provided, plus any hotel service costs, cannot exceed 150% of the locality Meals and Incidental Expenses (M&IE) rate per meal.

5. The food and/or beverages provided are **not** related directly to amusement and/or social events. Any event where alcohol is being served is considered a social event and, consequently, *no* costs associated with that event are allowable.
Section 3    Food and Beverage Cost Thresholds

In providing food and/or beverages at an event, the Agency, and its grantees, cooperative agreement recipients, and contractors, must all follow the following limits on the costs of refreshments and meals:

A. Refreshments

_The cost of refreshments, plus any hotel service costs (e.g., labor cost for room setup, taxes, tips) plus the effect of your indirect cost rate (if applicable), cannot exceed 23 percent of the locality meals and incidental expenses (M&IE) rate per attendee per day. These rates can be found at [http://www.gsa.gov/portal/category/21287](http://www.gsa.gov/portal/category/21287)._

- Refreshments include light food and drink served during break time, such as coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins.

- For example, if the M&IE rate for a particular location is $54 per person per day, then the total refreshment costs cannot exceed $12.42 ($54 x 23%) per attendee per day. However, in the calculation below, you can see that a Hotel Food & Beverage rate of $10 per person is actually a rate of $15.25 per person after the effect of taxes, gratuity, and the indirect cost rate:

  | Hotel Food & Beverage Rate | $ 10.00 |
  | Tax Percentage             | 7%      |
  | Gratuity Percentage        | 18%     |
  | Indirect Cost Rate Percentage | 22%    |
  | **Effective Food & Beverage Rate** | **$ 15.25** |

Tool you may use to [calculate the Effective Food & Beverage Rate](http://www.gsa.gov/portal/category/21287)
B. Meals

*The cost of any meal provided, plus any hotel service costs (e.g., labor cost for room setup, taxes, tips), cannot exceed 150 percent of the locality M&IE rate per meal per attendee.* [http://www.gsa.gov/portal/category/21287](http://www.gsa.gov/portal/category/21287)

- For example, if lunch will be provided in a locality with a $49/day M&IE rate, and the lunch rate is $13, then the cost of the lunch provided at the conference cannot exceed $19.50 ($13 x 150%) per attendee per day.

- All conference attendees must ensure that the provided meal is deducted from their claimed M&IE; in this example, the recipient would deduct $13 from the amount of M&IE claimed for the lunch provided. The GSA M&IE breakdown can be found at [http://www.gsa.gov/portal/content/101518](http://www.gsa.gov/portal/content/101518).

**Note:** While OJP does not necessarily agree that indirect rates should generally be applied to food costs, to the extent that an organization has an indirect cost rate which does include such food costs as a permissible item for inclusion with the indirect rate, then those indirect costs must be included as part of the calculation to see if you meet the cost thresholds, as indicated above. Of course, it is always permissible for an existing grantee or recipient of a cooperative agreement to opt out of applying any indirect rates to food costs, by notifying their grant manager of that decision in writing.
Section 4  Considerations When Providing Food and/or Beverages

The Agency, Agency contractors, and Agency grant and cooperative agreement recipients, must take into account the following considerations in planning any events where food and/or beverages will be served:

a. Formal agenda. The event where food and/or beverages will be served must be supported with a formal agenda.

A formal agenda provides a list of all activities that shall occur during the event, using an hour-by-hour time line. It must specifically include the times during the event when food and/or beverages will be provided.

b. Mandatory attendance. The event where food and/or beverages will be served must be mandatory for, and open to, all participants.

Meetings within meetings must independently meet the requirements of this Policy.

Example: At day two of a large national conference that lasts from 8 a.m. to 4:30 p.m., a subgroup of twenty program administrators decides to meet from 5 p.m. to 7 p.m. to discuss substantive topics relevant to the conference. Their meeting is not a formal part of the conference agenda. Since not all conference participants may attend this event, and it is not a part of the formal conference, it is not allowable to use federal funds to provide a dinner for the subgroup. (In addition, there are not several hours of substantive/informative material before and after the meal.)

Example: At the same conference as above, the group of twenty program administrators is scheduled on the conference agenda to break out separately from 12 p.m. to 4:30 p.m., and will work through the plenary session lunch in a separate room. In this case, it is allowable to use federal funds to provide a lunch for the group of program administrators, as well as break foods at the normal afternoon break times.

c. Timing of food and/or beverages. Provide several hours of substantive/instructional material both before and after food and/or beverages are served. (Please note that viewing exhibits is not considered to be substantive/instructional material.)

Do not end or begin events with a meal and/or break. Breakfasts (both "hot", e.g., eggs and meat; and “continental”, e.g., a selection of coffees, teas, juices, fruits, cereal, pastries, etc.) and dinners are generally not appropriate absent specific justification.
d. *All full meals should be “working” meals.* When providing a full meal, ensure that there is substantive/instructional material that will accompany that meal – for example, a speaker or video presentation on the substantive event topic.

e. *Appropriate break foods.* Where break foods are provided, ensure that these are appropriate and adhere to the cost thresholds.

<table>
<thead>
<tr>
<th>Breaks are short pauses in an ongoing informational program at trainings, meetings, conferences, or retreats. Typically, an all day event may (but does not have to) include one break during a morning session and one break during an afternoon session.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Break foods include light food and/or drinks such as coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, vegetables, pretzels, cookies, chips, or other snack items.</td>
</tr>
</tbody>
</table>

f. *Alcohol prohibited.* Do not pay for bar (i.e., alcohol) charges using federal funds, or registration fees (i.e., program income), as this will be considered an unallowable cost. Do not make alcohol available at the event (doing so may make the entire event unallowable). Cash bars are not permitted at federally-funded events.

g. *Per diem.* Advise participants to reduce per diem appropriately. Federal attendees (and many other attendees, including grant and cooperative agreement recipient staff traveling using federal funding) may not receive a full per diem reimbursement for a day where they were provided a full meal at a federally-funded event, and are responsible for reducing their per-diem request by the cost of the meal. Per diem rates for federally-funded travel are available at [www.gsa.gov/mie](http://www.gsa.gov/mie).

| Note: The cost of the meal is determined by the locality GSA rate for a meal at that time of day – e.g., where a lunch is provided at a conference in Washington, DC, the federal attendee may not claim the lunch per diem, but instead must reduce the per diem reimbursement request by the value of the lunch per diem, as set by the locality per diem reimbursement rates for Washington, DC (not the actual value of the lunch). |

h. *Concessions.* In planning a meeting or conference, hotels and vendors often offer concessions (free or discounted items/services) that reduce the government’s conference costs. Recipients are encouraged to accept non-perishable concessions from hotels or vendors that would reduce costs instead of concessions on perishable items.
such as reception, food, etc. Examples of such non-perishable concessions include
discounts on audiovisual services or equipment, meeting space, and parking costs.

**i. Receptions.** Receptions are **expressly prohibited** and are considered to be an
unallowable cost with federal funds.

A **reception** is a formal event which is not mandatory for all event participants to
obtain necessary information. Indicators of a reception include a cash bar,
inadequate seating for the entire group, food items from a reception menu (such as
finger foods) and a longer break (than utilized throughout the day) between the
substantive meetings and the reception.

**j. Appearance issues.** Food and beverage costs are often subjected to close scrutiny, and
all entities using Agency funding to provide food and/or beverages must take care to
minimize costs and ensure that the spending on food and beverages does not appear to
be lavish or wasteful.

**Example:** Themed breaks (e.g., “movie theme” with popcorn and mini hotdogs) at
a business meeting may create the appearance of frivolity, and may not be
appropriate. Any decision to allocate funds to such activity should be carefully
made and justified in terms of business needs.

**Example:** A grantee compares prices for meals at the conference location and
discovers that two comparable meals are available, one very near the Agency cost
threshold and the other well below the cost threshold. The grantee does NOT have
to select the most expensive option, and in most cases the more reasonable choice
would be the less expensive option absent a compelling reason otherwise.

**Example:** A grantee compares prices for meals at the conference location and
discovers that two comparable meals are available, both good values, nearly the
same price, and within the cost thresholds. The hotel calls one meal the “High-End
Exotic Tasting Menu”, which features escargot, filet mingon, and foie gras; while the
other is called “Conference Menu”, and features a chicken, beef, and vegetarian
option. The grantee, to avoid appearance issues regarding the appropriate use of
federal resources, may wish to select the “Conference Menu” option.
Appendix A  Definitions

The following definitions apply to this Policy:

"Agency" means the Office of Justice Programs, and includes each and all of its components.

"Conference" or "Meeting" is a pre-arranged formal event involving topical matters of general interest, (e.g., matters that will contribute to improved conduct, supervision, or management of the agency's functions or activities), to Federal agency and non-Federal agency participants, rather than a routine business meeting primarily involving day-to-day agency operations and concerns. It has designated participants and/or registration, a published substantive agenda, and scheduled speakers or discussion panels on a particular topic. "Meeting" includes other designations, such as a conference, congress, convention, seminar, symposium, training for grantees or contractors, and workshop. See 5 U.S.C. § 4110 (1994).


"Federal employees" are those persons employed in or under an agency of the United States Federal Government or the District of Columbia. Federal contractors are also subject to the restrictions of Federal employees regarding the provision of food and/or beverages for the purposes of this Policy. See 5 U.S.C. § 4101.

"Federal grantee" means a State, local, or federally-recognized Indian tribal government, educational institution, hospital, or a for-profit or non-profit organization which is responsible for the performance or administration of all or some part of a federal award. See 2 C.F.R. Part 225, Appendix A; 2 C.F.R. Part 215, Appendix A. This definition includes cooperative agreement recipients.

"Food" and/or "beverages" retain their common meanings. Food and/or beverages are commonly served (and referred to) in two contexts: 1) Meals (such as a continental breakfasts, working lunches, or dinners) and 2) Refreshments/breaks. (Note: Alcoholic beverages are not allowable costs using federal funds.)
“Meals and incidental expenses” or “M&IE” rates are set by the U.S. General Services Administration (GSA) and show maximum daily reimbursement (per diem) rates for meals and incidental expenses. These rates vary depending on geographical area. See: www.gsa.gov/mie.

"Reasonable" as it applies to cost of food and/or beverages means those costs which a prudent person would have incurred under the circumstances prevailing at the time the decision to incur the cost was made. Costs to consider include the cost of food and/or beverage including service fees, cost per attendee, total cost of the event, and costs incurred relative to costs in the geographical area; as well as the Agency-established cost thresholds.

"Working lunch/dinner" as it relates to this Policy means a formal and mandatory lunch/dinner necessary for all participants to have full participation in the conference or event. A working lunch/dinner must include a formal agenda including a program or speakers that will impart necessary information important for full understanding of the subject matter of the conference. There should be several hours of informative sessions providing substantive information both before and after a working lunch/dinner (exhibits are not included). Indicators of a working lunch/dinner include seating for all participants. A cash bar is expressly prohibited.