

**UTAH COUNTY GOVERNMENT
POLICY FOR FOOD AND GIFTS FOR COUNTY BUSINESS**

RESOLUTION NO. 2023 - 364

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1.0 PURPOSE

This Policy regulates the purchase of food by County departments for County business, reimbursements to County employees by County departments for food purchased by employees while conducting County business, and the purchase of awards and other recognition items by County departments to recognize persons whose contributions significantly further the mission of Utah County Government.

This Policy does not apply to work safety or other employee incentive/recognition programs that are part of an established, written plan and budget approved by the Board of County Commissioners, to per diem payments governed by the County's Travel Policy, or to food purchases for inmates in the Utah County Jail. The Commission or purchasing manager may grant exceptions to this Policy on a case-by-case basis.

Per the Internal Revenue Service (IRS), any fringe benefit, including food and gifts, provided by the County is taxable and must be included in the recipient's pay unless the law specifically excludes it. Compliance with this Policy will ensure that the taxability (if applicable) of meals and gifts is handled properly. If any food or gift is paid through the Finance System and is determined to be taxable, IRS rules will apply. It is the responsibility of the Department providing the meals to the employee to understand and comply with these rules. Further clarification can be provided by the Auditor's Office.

2.0 FOOD

2.1 General Provisions: Within the limitations of this Policy, all expenditures and reimbursements for meals are at the discretion of the department head or Commissioner whose budget will be impacted by the expenditure or reimbursement. All expenditures and reimbursements are subject to Utah County Procurement Rules and Regulations and to each department's approved budget. Unless otherwise specified in this Policy, when a payment request is submitted to Accounts Payable for meals, the department must document the names of those who were provided food (e.g., list of meeting attendees) and either the meeting agenda or the purpose of the meal if an agenda is irrelevant. The Auditor's Office may waive or modify this requirement.

Generally, departments conducting meetings or training events for County business should attempt to schedule meetings and training events to not conflict with regular meal periods. Discretion should be exercised in providing meals to ensure that it is not provided too frequently, and that it is not provided for routine consumption in accordance with the IRS definition of a de minimis benefit.

Unless otherwise specified in this Policy, the cost of meals shall not exceed the per diem rate. The per diem rate is the daily Meals & Incidentals (M&IE) Total established by the U.S. General Services Administration (GSA) for the applicable Primary Destination or County that matches the location where the meal is provided multiplied by one of the following percentages set forth in the County's Travel Policy: 50% for dinners, 30% for lunches, and 20% for breakfasts. Tips cannot exceed 20% of the pre-tax amount.

2.2 Refreshments. Light refreshments may be provided for County employees or volunteers during County-sponsored meetings or events that enhance the mission of the County. Departments providing refreshments may budget for and expend no more than the daily breakfast per diem rate.

2.3 County Boards, Committees, and Councils: Departments utilizing an appointed or advisory board, committee or council may provide meals if the meeting or event conflicts with a regular meal period.

2.4 Emergencies: A department may provide meals to an employee or volunteer who is required, or requested, to stay at or near their work site in order to respond to emergency situations including, but not limited to, expedited public vaccination programs, search and rescue operations, and wildland fire events.

2.5 Urgent Work Requirements: Department heads may provide meals for employees, volunteers, or contractors who are required to remain at work to perform urgent County business during normal mealtimes or for times outside of normal work hours.

2.6 Grants: If a department is authorized by a grant or obligated by contract to provide meals and/or refreshments, the department may expend the amounts as specified in the grant or contract.

2.7 County-Sponsored Meetings: An elected official or department head may provide meals for visiting clients, dignitaries, guests, entities, or agencies who have an appropriate nexus to Utah County business.

An elected official, department head, or career service exempt appointed employee may schedule luncheon-type meetings with administrators from other agencies and may be reimbursed for his or her meal and for those of other attendees as approved by the elected official or department head.

2.8 Other Meetings: A department head or an employee with department head approval attending a meeting related to his or her duties or responsibilities may be reimbursed for meal expenses if the meeting occurs outside of their normal work location and the meeting occurs during a regular meal period.

2.9 Staff Appreciation: A department may recognize and show appreciation for its employees by providing meals at parties, picnics, or other recognition events. The total amount budgeted and expended for these meals shall not exceed \$30 per employee per year.

2.10 Volunteers: If members of the community volunteer to serve Utah County in any capacity, the department utilizing those volunteers may provide an annual appreciation meal of up to \$30 per volunteer.

3.0 GIFTS

3.1 General Provisions: Within the limitations of this Policy, all expenditures for gifts are at the discretion of the department head and are subject to Utah County Procurement Rules and Regulations, Utah County Purchasing Card Policy and Procedures, and to each department's budget.

Generally, departments should only provide gifts to employees to recognize professional achievements or contributions that are significantly above normal standards or expectations. The Board of County Commissioners and department heads may provide a gift to a person not employed by the County in recognition of extraordinary, professional achievement that furthers the mission of the County or the department.

Gifts may not be of cash. If a department chooses to provide cash equivalents, gift cards, gift coupons, or gift certificates (other than arrangements granting only the right to select and receive tangible personal property from a limited assortment of items preselected or preapproved by the County) as a gift, that gift will be taxable to the recipient regardless of the amount of the gift. An achievement award of tangible personal property may be taxable to the recipient unless it meets the following requirements:

- It is given to the employee for length of service and the employee receives the award after their first five years of employment.
- It is awarded as part of a meaningful presentation.
- It is awarded under conditions and circumstances that don't create a significant likelihood of disguised pay.
- Its value does not exceed any IRS limitations.

Unless otherwise specified, departments providing gifts as indicated in this Policy may budget for and expend no more than \$125 per gift. Gifts with no intrinsic monetary value (such as plaques and other mementos) are not subject to the \$125 limitation.

When a payment request is submitted to Accounts Payable for gifts, the department must provide the names of those who received the gifts. If the gift is a cash equivalent, gift card, gift coupon, or gift certificate, it is recommended the department have the recipient acknowledge receipt of the gift. Departments shall not maintain an inventory of cash equivalents, gift cards, gift coupons, and/or gift certificates.

3.2 Client, Dignitary or Agency Hosting: An elected official or department head may provide appreciation gifts to visiting clients, dignitaries, guests, entities, or agencies who have an appropriate nexus to County business.

3.3 County Boards: Departments utilizing an appointed or advisory board may provide appropriate annual appreciation gifts.

3.4 Employees Leaving Employment and Elected Officials Leaving Office: A department may recognize County employees voluntarily separating from Utah County employment and County elected officials leaving office, as follows:

- A. After 5 years of service, a gift may be purchased with a value of \$10 per year of full-time service for career service employees, separating, but not eligible for URS retirement. This value will be prorated for part-time career service employees.
- B. A department may recognize County employees retiring from the County under the Utah State Retirement System rules with a non-taxable gift purchased with a value of \$50 per year of full-time service for career service employees. This value will be prorated for part-time career service employees.
- C. An appreciation reception with a value of \$150.
- D. After at least 10 years of meritorious service to Utah County, an employee who carried a County-owned sidearm during the course of employment shall be awarded the sidearm carried by the employee at the time of leaving service with the County. A sidearm display case or shadow box may be purchased at County expense to accompany the award of the sidearm.
- E. The Commission or supervising elected official may provide elected and appointed officials leaving County employment at any point an appreciation reception of \$300 and a non-taxable gift of \$500.

3.5 Grants: If a department is authorized by a grant or contractual obligations to provide gifts, the department may expend the amounts as specified in the grant or contract. Departments are advised that the use of cash equivalents cannot be controlled and may not meet the necessary and reasonable standard required by federal regulations [2 CFR 200.403(a)]. It is recommended that departments utilizing grant funds to purchase cash equivalents for gifts obtain explicit written permission to do so from the grantor.

3.6 Surplus Property: A department head may not use surplus County property for a gift, except for the gift of a firearm as described in Section 3.4(C).

3.7 Volunteers: If members of the community volunteer to serve Utah County Government in any capacity, the department utilizing those volunteers may provide appropriate appreciation gifts, not to exceed the cost of \$30 per gift.

3.8 Staff Appreciation Gifts: A department may recognize and show appreciation for its employees by providing appreciation gifts. The total amount budgeted and expended for these appreciation gifts shall not exceed \$30 per employee per year.