

STATE CONTROLLER POLICY

OFFICIAL FUNCTIONS

Under the Fiscal Rules, this is a State Controller Fiscal Policy. In addition to the requirements of Fiscal Rule 2-1 and Fiscal Rule 2-4, a State Agency or Institution of Higher Education (IHE) may hold an Official Function that includes an expenditure of State funds only in accordance with the requirements of this Policy. Official Functions that include expenditures of State funds are allowed except as prohibited by State statute, regulation, order or policy. A State Agency or Institution of Higher Education may implement an internal policy that may be more restrictive than this Policy.

1) Definitions

- a. Approving Official – An official in the capacity to commit state funds. The Approving Official shall be at least one level higher than the highest level attending the Official Function, with the exception that a Chief Executive Officer may approve an official function that the Chief Executive Officer attends.
- b. Chief Executive Officer – Executive Director of a Department, President of an Institution of Higher Education, or delegate of either.
- c. Officer – Individual with responsibility for an organizational unit, appointing authority, or delegate.
- d. Official Function – A meeting, conference, training, or other function that is hosted by a Chief Executive Officer or State employee, of a state agency or institution of higher education, attended by guests and/or State employees, held for official State Business Purposes and includes an expenditure of State Funds.
- e. Official State Business Purposes – Purposes that further the activities of the State and are for the benefit of the State and not personal for individual employees.
- f. State Funds – All moneys, including but not limited to general fund appropriations, cash fund appropriations, federal funds, custodial funds, and other grant funds that are authorized to be expended by a department.

2) Policy

All Official Functions shall have prior approval by an Approving Official. Departments may designate additional officials in the approval process for Official Functions. Departments shall use an Official Function form provided by each department that includes:

- a. Official State Business Purpose
- b. Detail for the expenditures, and
- c. Attendees

3) Permitted Official Functions.

Official Functions held for official State Business Purposes may include, without limitation, functions for:

- a. Training/Development Function - Held to enhance staff knowledge or to educate employees, associates, or other individuals. Training functions should have written agendas, study or presentation materials, and be led by identified presenter(s) and includes an expenditure of State Funds.
- b. Employee Appreciation/Recognition Function – A gathering or event held primarily to recognize the value of and enhance the morale of the department's employees, and includes an expenditure of State Funds.

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- c. Business Collaboration/Working Function – A meeting, training session, conference, or other gathering that includes members of the public, is held for the purpose of conducting official State business, and includes an expenditure of State Funds.
- d. Multi-Unit or Multi-Campus Event that include an expenditure of State Funds. (Participating units may not report to the same Officer, and events may not occur more often than monthly).

4) Attendance.

The individuals attending should be necessary for conducting the Official Function, or their attendance furthers the purpose of the Official Function.

5) Expenditures.

- a. Allowable Expenditures - All expenditures for an Official Function must be reasonable and necessary under the circumstances, and must be kept to a minimum to achieve the purpose of the Official Function. In determining whether an expenditure is reasonable and necessary under the circumstances, and kept to a minimum, a State Agency or IHE shall take into consideration the purpose and length of the function as well as the number of directly related individuals to attend. The State Agency or IHE may determine, based on circumstances that reasonable and necessary expenditures include, without limitation, equipment rental, food and beverages, conference rooms, speakers, lodging, trainers, or travel. In addition to the requirements of Fiscal Rule 2-1 and 2-4, the State Agency or IHE must comply with the requirements of any additional statutes, executive orders, rules, and policies that apply to the specific Official Function or the funding source for the individual expenditure.
- b. Unallowable Expenditures - Any expenditure that is not reasonable, not necessary, and not for official state business purposes is unallowable. Examples include expenditures for:
 - i. Personal events, such as birthdays, wedding showers, and baby showers
 - ii. Decorations
 - iii. Food, beverages, and related supplies when purchased for use in the ordinary course of business, including, but not limited to, working lunches, coffee, plates, cups, napkins, etc.
 - iv. Functions that do not meet the definition of Official Functions.



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