

WORKFORCE DEVELOPMENT DIVISION
Workforce Policy and Service Delivery Branch
Technical Assistance Bulletin 259

Keyword: All Programs; Fiscal Admin

Subject: Provision of Meals and Refreshments

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This Technical Assistance (TA) Bulletin provides Local Workforce Development Boards (Boards) with information on providing meals and refreshments to external customers during meetings, conferences, and job fairs.¹

Reasonable, Necessary, and Allowable

Boards are required, under Chapter 802, the Texas Workforce Commission’s Integrity of the Texas Workforce System rules, to adhere to the requirements of Office of Management and Budget (OMB) Circulars A-21, A-87, and A-122, which require all costs to be reasonable, necessary, allocable, and adequately documented in order to be allowable. Additionally, these cost principles specifically allow for the costs of meals incidental to the cost of meetings and conferences where the primary purpose is the dissemination of technical information. The allowability of meals and refreshments—e.g., bottled water, coffee, other nonalcoholic beverages, fruit, cookies, pastries—provided during other events (such as job fairs, awards ceremonies, etc.) is subject to the same cost principles.

While the allowability of such costs is determined on a case-by-case basis, it is important to consider:

- the reasonableness of the aggregate costs to demonstrate that Boards have “acted with [due] prudence in circumstances, considering their responsibilities to the governmental unit, its employees, the public at large, and the *state or* Federal Government” [Uniform Grant Management Standards (UGMS)]; and
- aggregate costs periodically—e.g., over a 12-month period—to identify needed changes to policies in order to avoid incurring individual and aggregate costs that appear excessive or lavish.

Justification

The costs of meals and refreshments are not inherently allowable or unallowable. However, in accordance with the authorities cited above, costs can be incurred only when necessary and reasonable for the proper and efficient performance and administration of a grant award.

¹ This guidance does not apply to meal costs that are subject to state travel.

Examples of when a bona fide need arises to incur such costs include, but are not limited to, the following:

- an all-day meeting will not cover all necessary technical information unless technical information is also provided during a time when a meal would normally be consumed;
- technical information needs to be provided on a date when the only time that attendees are available to attend the meeting is during a mealtime;
- it is necessary to hold the event or provide the technical information during a time when a meal would normally be consumed, and attendance would be diminished because attendees would forego the event or technical assistance for their meal; or
- disruption of scheduled events (e.g., whether attendees would be likely to return—or their absence would cause significant delays—if required to leave the event to obtain a meal or refreshments).

Other key factors affecting the allowability of such costs include:

- the reasonableness of the cost (i.e., the per-participant cost is not excessive when compared to what a prudent person might incur under the circumstances);
- the event duration or timing (e.g., all day or when it is necessary to hold or continue an activity during a normal mealtime);
- location (e.g., limited access to or limited number of establishments); and
- quantity of meals or refreshments provided compared to projected attendance.

Examples of *allowable* costs can include, but are not limited to, providing:

- refreshments to attendees during a job fair; or
- meals (such as boxed lunches) to:
 - employers, when staffing booths during or participating in a job fair;
 - Board members, when it is necessary to have a Board meeting during a mealtime (i.e., outside of normal business hours);
 - youth participants, such as an all-day youth fair or when provided in conjunction with summer youth employment activities; or
 - child care provider staff and trainer, during an all-day child care quality improvement training.

Examples of *unallowable* costs can include but are not limited to:

- costs of meals while engaging in day-to-day business or staff training of employees of the organization or entity;
- working lunches with customers and colleagues when it cannot be demonstrated that it was necessary to have the meeting during a mealtime instead of normal business hours; and
- meetings, planning retreats, or seminars in which the primary purpose is to plan future meetings, conferences, or seminars (i.e., not to disseminate technical information).

Documentation

In accordance with UGMS, Part II, Attachment A, (C) §_1(j), costs must be adequately documented; such documentation may include:

- the necessity of incurring such costs;
- the allowability of such costs in accordance with applicable cost principles;
- the number of attendees (e.g., employers, job seekers, colleagues, other external customers);
- whether the meals or refreshments were also made available to Board or workforce service provider staff, or volunteers (e.g., sign-in sheets, hours worked, roles); and
- other documentation that verifies the expenditure amount and appropriateness to the grant.

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