



POLICY TITLE:

Entertainment Expenses

APPLIES TO:

All divisions and departments, and all employees incurring or approving such expenses

ADMINISTRATIVE AUTHORITY:

**Division of Finance and Administration
Chief Financial Officer (CFO)**

APPROVED BY:

Kentucky State University Board of Regents

EFFECTIVE DATE:

August 8, 2025

NEXT REVIEW DATE:

August 8, 2028

POLICY STATEMENT:

Kentucky State University (KSU) permits the use of university funds for reasonable and necessary entertainment and meal expenses that are incurred while conducting bona fide university business. This policy provides the framework for such expenditures to ensure they are appropriate, fiscally responsible, and compliant with Internal Revenue Service (IRS) regulations.

DEFINITIONS:

Entertainment Expenses

Any expense for an activity generally considered to provide entertainment, meals, amusement, or recreation.

Bona Fide Business Purpose

A clear and direct purpose related to the mission and operations of KSU that is substantiated with documentation.

Business Guest

Includes, but is not limited to, donors or prospective donors, prospective employees, visiting dignitaries, or guest lecturers.

PROCESS:

General Requirements

KSU will pay or reimburse for ordinary and necessary entertainment expenses provided they meet all of the following criteria:

- They are directly related to official KSU business and have a clear business purpose.
- They are properly substantiated with itemized receipts and documentation.
- They are allowable under all applicable KSU policies.
- They are approved by an appropriate KSU official with budgetary authority.

Permissible Entertainment Activities

- **Entertaining Business Guests:** Expenses incurred to host business guests are permissible.
- **Business Meetings:** Expenses for meetings of employees to conduct official KSU business are permissible. At least one KSU employee must be present at any meeting that includes non-university individuals.
- **Donor and Community Relations:** Expenses for events that are primarily social or recreational are permissible if they support an underlying KSU business purpose, such as promoting goodwill or donor cultivation.
- **Employee Morale and Recognition:** Expenses for official employee morale-building activities are permissible. Examples include gatherings to honor a retiring employee (or one separating after at least five years of service), official employee recognition receptions, and an annual faculty/staff picnic.

Prohibited Expenditures

KSU funds may not be used under any circumstances for the following:

- Personal occasions such as employee birthdays, weddings, anniversaries, showers, or similar private events.
- Working lunches, refreshments, or meals provided at a routine staff or departmental function that does not have a clear and documented business purpose beyond the normal scope of work.

REFERENCES AND RELATED MATERIALS:

- KSU Accountable Plan for Employee Expenses Policy
- KSU Purchasing Policy
- IRS Publication 463 (Travel, Gift, and Car Expenses)

CONTACTS:

Subject	Office	Telephone	E-mail
Policy Questions	CFO/Vice President of Fin. & Admin.	(502) 597-6429	Melissa.Hicks@kysu.edu

HISTORY:

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Policy)	August 2024	YPTC
Substantive Revisions	June 2025	Zach Atwell
