

PROCEDURE NUMBER: FINA 2.14 Procedure

SECTION: Administration and Finance

SUBJECT: Food Purchases with Sponsored Awards

DATE: June 1, 2025

REVISION:

Procedure for: All Campuses

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Issued by: Administration and Finance – Controller’s Office

Procedure Statement

The University Administration and Finance Division, Controller’s Office, will ensure compliance with University Policy FINA 2.14. This procedure is applicable to campuses, units, departments, centers, Principal Investigators (PIs), and administrators at the University who are involved with the initiation, administration, and conduct of sponsored awards. The purpose of this procedure is to supplement the associated policy by providing additional detail and guidance on purchasing food with sponsored award funding.

The proposal guidelines, award terms and conditions, and sponsor policies must be carefully reviewed to determine if and when food may be a charged to a sponsored award.

Most federal sponsors do not authorize food as an allowable expense. However, in some cases, such as conferences and training, food may be allowed by the federal sponsor.

For non-federal sponsors, the allowability of food varies. Under state-sponsored award policies, food must be for non-employees of the State of South Carolina to be eligible as an allowable expense (e.g., food for workshops, training, subject incentives, meetings involving non-employee attendees).

A. Allowability

Meals or food may be charged to a sponsored award only in circumstances where all the following criteria are met:

- (1) The expense is allowable under Uniform Guidance, including the principles detailed in [Procedure 3.40 – Cost Principles](#), sponsor policy, the terms and conditions of the sponsored award, and any related University policy/procedure.

- (2) The food/meal is part of a formal business meeting and integral to the continuity of conducting business and the goals and objectives of the project.
- (3) The meeting includes external participants.
- (4) The expense is supported by appropriate substantiating documentation (see below).

Examples of Potentially Allowable Food Costs

- **Family Engagement Events:** Food expenses might be justified if providing food ensures higher attendance or engagement at a family engagement event crucial to the program. For example, if the event coincides with a typical mealtime and the absence of food would deter participation.
- **Working Lunches:** If a lunchtime session is necessary for the program and cannot be rescheduled, and participation is vital to the grant's success, food costs might be approved. For example, during a day-long professional development session where attendees must work through lunch to cover essential topics.
- **After-Hours Meetings:** When meetings occur outside of regular working hours, and food provision is necessary to maintain participation, light refreshments may be allowable. This is contingent on proving that these meetings are critical to the grant's objectives.
- **Day-Long Training Sessions:** If evidence supports that providing light snacks will improve participation and productivity in a day-long training session, these costs could be justified as necessary for the grant's success.

Examples of Unallowable Food Costs

- **Networking Sessions:** Food expenses for networking events, particularly those with a social focus, are typically not allowable since such activities are rarely essential to achieving the grant's objectives.
- **Meals and Coffee Breaks:** Meals or coffee breaks for intramural meetings of an organization or any of its components, including, but not limited to, laboratories, departments and centers.
- **Regular Staff Meetings:** Recurring staff meetings usually do not qualify for food-related expenses as they are generally considered part of routine operations, not directly tied to the specific goals of the grant.
- **Remote Meetings:** Food costs for remote meetings, such as sending meals to participants' homes, are generally not considered necessary and are unlikely to be approved.
- **Entertainment and Alcohol:** Costs related to entertainment, such as meals at social functions, or alcohol, are strictly unallowable under any circumstances.

The following must also be considered regarding the direct expense categories used when proposing and charging allowable food and meal expenses:

- **Participant Support:** Food-related expenses associated with Participant Support costs are allowable only if the project includes an education or outreach component, and the food-related expenses are explicitly listed in the proposal budget and justified as part of the education or outreach components. See [Procedure 3.00 – Participant Support Costs](#).
- **Travel:** Food-related expenses incurred by employees while on travel status are allowable provided that such expenses are reasonable and necessary for carrying out the scope of work or are specifically tied to the award’s programmatic requirements. Meal amounts above the per diem limit are not an allowable expense. See [FINA 2.50 – Travel](#) and [Procedure 2.50 – Travel](#).
 - Meals are not allowable when already included in the registration fee.
- **Entertainment:** Food-related expenses associated with the cost of entertainment are always unallowable (per [2 CFR 200.432](#)) except in the very rare instance when such expenses that might otherwise be considered entertainment have a programmatic purpose **AND** are authorized either in the budget or approved by the federal sponsor.
- **Lobbying:** Food-related expenses associated with lobbying are always unallowable (per [2 CFR 200.450](#)) except in the very rare instance when such expenses are related to travel for the purpose of technical and factual presentations on topics directly related to the performance of a grant, contract, or other agreement in response to a documented request made by a member of congress, legislative body or a subdivision, or a cognizant staff member.
- **Conference:** Food-related expenses associated with a conference are allowable when the event at the which the food expenses are incurred meets the definition of “conference”, as defined by [2 CFR 200.432](#), and the expenses are paid by the University as the sponsor/host of the event. Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the sponsored award.

B. Documentation Requirements

Budgeting food costs in a sponsored award does not guarantee automatic approval. Each instance where food costs are proposed must be justified by detailed rationale explaining why the expenditure is essential to achieving the specific goals and objectives of the grant. The justification must demonstrate that the food expense is reasonable and necessary to the project’s success.

There is a very high burden of proof to show that paying for food/meals and beverages with sponsored funds is necessary to meet the goals and objectives of the award. Departments must

make a compelling case that the unique circumstances they have identified justify the purchase of food as reasonable and necessary.

Even if food is already approved by the sponsor, full documented justification for the purchase of food should be included. As food is a high-risk purchase, these transactions are likely to be reviewed in an audit. Full documentation includes the following, where applicable:

1. Justification for the food/meal purchase, including how it was necessary to achieve the objectives of the award;
2. Original, itemized invoices/receipts showing detailed lists of food and beverages purchased and the name(s) of participants/travelers;
 1. For conferences and workshops, invoices/receipts for food or meals and participant listings should be accompanied by the conference/workshop agenda, which makes clear the purpose of the activity.
3. Copy of the sponsor’s approval (either in the proposal budget or post-award written approval);
4. The cost per person (the total cost of the food, including taxes and applicable service charges, and the number of people that the food was served to); and
5. Conference registration information to document that the meals were not also provided by the conference.

C. Resources and Forms

Resources, trainings, and guides can be found on the Controller’s Office website under the Grants and Funds Management and Resources and Training Toolbox sections.

History of Revisions:

DATE OF REVISION	REASON FOR REVISION
June 1, 2025	New Procedure