Finance and Commercial
Advice note for Departments

Guidance on purchasing alcoholic drink as ‘subsistence’

Background

This advice note provides guidance on the purchase of alcoholic drinks as part of the University's arrangements for funding ‘subsistence’ costs for its employees. This means where staff are away from the workplace on University business, AND consume a meal and drinks either on their own, or solely with other University of Sheffield staff colleagues. This guidance applies irrespective of the source of funding or the method of purchase (i.e whether incurred as expenses or charged to a University Purchasing Card) General guidance can also be found on the Department of Finance web pages in relation to expenses and purchasing cards.

This guidance note DOES NOT cover the arrangement of meetings, or other events, that include external stakeholders, business partners or alumni. Paragraphs 78 to 85 in the Employees Fees, Expenses and Benefits procedures manual provide guidance on the cost of meals and drinks at meetings and during the entertainment of external stakeholders. There is also a separate Finance Advice Note on the arrangements for Annual Staff Events such as Christmas parties.

Subsistence costs

The regulation about subsistence costs (extracted from the Employees Fees, Expenses and Benefits procedures manual) states:

'Staff required to travel in the course of their work are entitled to claim the additional cost of meals taken on route. Only the costs of meals taken in the course of business journeys as defined under "Definition of Business Travel" (paragraph 41) will be paid by the University. Staff may claim either the actual, reasonable costs of food and drinks taken en route supported by receipts or, as an alternative, scale subsistence expenses....'

Interpretation and guidance re alcoholic drinks as part of 'subsistence'

The above paragraph does allow for the cost of food and drink to be reimbursed, but does not specify whether the drink element can be alcohol. It is important that the University’s reputation is protected by having clear guidance on acceptable expenditure in this area and this guidance note clarifies the reasonableness tests to be applied to ‘subsistence’ claims including alcoholic drink. Staff should keep in mind that the nature of ‘subsistence expenses’, either when reimbursed, or being paid for by University purchasing card, dictate that there is a clear difference between what is necessary to remain ‘fed and watered’ and what is actually a discretionary choice.

Alcoholic drink is a problematic area because, for some, one or two drinks with a meal would be reasonable, however, under scrutiny from a Freedom of Information Act request, for example, it is easy to see how the claiming of expenses or incurring of cost for a number of alcoholic drinks could be seen as a perk, or unnecessary expenditure, when a cheaper/soft drink option could have been taken.
Reasonableness tests

To determine what acceptable expenditure is, we need to apply two reasonableness tests. One is in relation to an alcoholic drink being had with a meal, and the other is in relation to cost. The following guidance must be followed:

1) **Alcoholic drinks with a meal:** alcoholic drinks are **NOT** permitted as a reimbursable expense where they are bought for (and by) University staff members only, and are not being consumed alongside a meal whilst the person(s) are away from the University on business. For example, alcoholic drinks purchased at a bar or pub either during or after the working day, during travel or whilst waiting for air, train, other travel will not be reimbursed, or permitted as a cost charged to a University purchasing card. The decision to buy an alcoholic drink would be considered discretionary; a soft drink, tea, coffee, or water would be adequate in terms of ‘subsistence’.

2) **Cost of alcoholic drinks:** the cost of up to two standard sized alcoholic drinks per member of staff may be reimbursed as part of the ‘subsistence’ costs, but **only** where the drink is taken with a meal. It is possible for a bottle of wine to be purchased for a group of staff members; however the ratio of bottles of wine to staff members should not exceed 1:4. In other words a single bottle of wine for two people would not be an acceptable level of alcoholic drink to be reimbursed, or charged to a purchasing card, as it provides more than two standard sized glasses/drinks per person.

   The price of an alcoholic drink can vary according to the dining venue and, especially in relation to wine, according to the quality of drink chosen. It is advised that staff must ensure that, if they do choose to consume up to two standard sized alcoholic drinks, these must only be of average or moderate price. Staff in the Department of Finance who review expenses claims and purchasing card expenditure will ask for further information where they believe that the cost incurred is neither moderate nor reasonable.

   A moderate cost should enable the most common choices of alcoholic drink; being a glass of wine (of a reasonable quality), pint of beer or lager and a single spirit at most venues that our staff should be using for their subsistence expenditure. We need to be mindful that the cost of meals and drinks in these subsistence circumstances is **NOT** about entertaining or meeting with external stakeholders, and staff should not be using venues where the cost implications are higher than reasonably needed.

More than one attendee

If one member of staff is ‘picking up the tab’ for a group of University employees who are dining together whilst away on business, and claiming this back as expenses, or charging the full cost to their University purchasing card, a list of every one of the staff members who has consumed the alcoholic drinks must be submitted with the expenses claim form, or as part of the required purchasing card receipts and documentation. Without these full details it will be assumed that only the claimant, or purchasing card holder, consumed the drinks and the value of the expenses to be reimbursed will be reduced according to the reasonableness tests above. Where costs have been charged to a purchasing card, but inadequate supporting information has been provided, the same assumption will be applied and the staff member will be charged for the level of assumed consumption made that is in excess of the reasonableness tests.

**NOTE:** staff should be aware that failure to comply with this advice will result in any expenditure incurred being either: i) not reimbursed via the expenses system, or ii) being re-charged to them personally for items purchased by University Purchasing Card in the first instance.

Where staff are away from the University on business, and the venue or event has provided food and/or alcoholic drink as part of the included cost, staff should ensure that any subsistence claims using either the [per diem subsistence rates](#), expenses claims for actual costs incurred, or expenditure charged to a University purchasing card is reduced in recognition of this provision accordingly.