



ARIZONA DEPARTMENT OF TRANSPORTATION POLICIES AND PROCEDURES

FIN-13.01 GUIDELINES FOR PROVIDING FOOD/ BEVERAGES AT ADOT SPONSORED FUNCTIONS

Effective: December 30, 2008
Supersedes: FIN-13.01 (8/10/07)
Responsible Office: Fiscal Operations
602-712-7935

Next Review: December 30, 2010
Transmittal: 2008 - December
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1.01 PURPOSE

The following guidelines have been developed to assist ADOT Divisions with planning for meetings and conferences where direct expenditures of state funds for food, facilities or lodging are anticipated. Adherence to these guidelines will help avoid potential conflicts of interest and procurement law violations.

1.02 SCOPE

This policy applies to providing food and beverages at planned ADOT-sponsored events. There are additional provisions, policies, and guidelines (not included in this policy) for providing food and/or beverages in other situations (i.e. SUP 00-1, GAO Technical Bulletin 05-02).

1.03 GUIDELINES FOR DETERMINING IF FOOD OR BEVERAGES SHOULD BE PROVIDED

- A. As a general rule, food/beverages are not to be provided at ADOT sponsored functions.
- B. Food or beverages should be provided on an exception basis only.
- C. A special exemption has been requested and obtained for meetings of the State Transportation Board that occur during the mealtime. This exemption was approved by the Director of the Department of Administration on April 28, 1999 and only applies to the State Transportation Board, with specific conditions attached.
- D. Guidelines: The primary consideration in determining whether to provide food/beverages will be the specific purpose of the function. The function must serve a valid public purpose and must not violate the 'gift clause' of the [Constitution of Arizona: Article 9, Section 7](#)

"7. [Gift or loan of credit; subsidies; stock ownership; joint ownership](#) Section 7. Neither the state, nor any county, city, town, municipality, or other subdivision of the state shall ever give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any individual, association, or corporation, or become a subscriber to, or a shareholder in, any company or corporation, or become a joint owner with any person, company, or corporation, except as to such ownerships as may accrue to the state by operation or provision of law or as authorized by law solely for investment of the monies in the various funds of the state."

1. Food:

- a. While paying for food is not prohibited, the planning entity must be able to clearly show that the benefit (to ADOT) of providing food for a meeting or conference outweighs the cost of the food.
- b. It is easier to justify providing food to event participants if the participants include non-ADOT attendees.

- c. If non-ADOT participants are included in an event (for example city, county or association representatives) and there is a need or desire to provide food, try to have the non-ADOT participants pay for the food, while ADOT pays for other costs of the event. Non-state entities are generally not under the same restrictions on food purchases as state entities.
- d. If a planned event includes participants who belong to an association that ADOT deals with (i.e. AGC, ACE, AAMVA, etc.), and one or more members of the association volunteer to provide food, it is highly advisable to coordinate the food purchases through the association, rather than directly with any firm or firms in order to avoid the appearance of any conflict of interest.
- e. Lunches are more easily justified than breakfasts or dinners. If food costs are being paid by ADOT, breakfasts and dinners would require additional justification.
- f. If paying for food, the cost per meal should be within the costs allowable for reimbursement, unless the costs of meeting facilities are also included in the overall cost of meals. Even so, such meal costs should be reasonable and prudent.

2. Facilities:

- a. In planning for an event, free facilities (ADOT, city, county, etc.) should always be used if they are available and can reasonably accommodate the needs of the meeting. Rental facilities should be the exception.
- b. If rental facilities are needed, procurement of such facilities **MUST** go through ADOT Procurement if the cost of such facilities will be in excess of \$5,000. If facilities are required in conjunction with lodging, the Meeting Planner contract should be utilized.

3. Lodging:

- a. If hotel or motel rooms are needed for an event, procurement of such facilities **MUST** go through ADOT Procurement if the cost of such lodging will be in excess of \$5,000. If lodging is required in conjunction with facilities, the Meeting Planner contract should be utilized.

4. Coordination:

All events should be reviewed and coordinated with Division budget managers prior to **ANY** commitment of funds.

5. Signing Of Contracts

If contracts are needed for facilities, lodging, or any other reason in connection with a meeting or conference, such contracts must be reviewed and signed by Procurement. **No persons, other than the Agency Director and certain designated Procurement personnel, have the delegated authority to sign any contract relative to any purchase subject to State procurement laws.**

1.04 PROCEDURE

Prior to authorizing and approving a function, a written memorandum/form must be prepared and submitted to the appropriate Division Director. [see format sample in Exhibit 1] The form is available on ADOTNet at: http://adotnet/forms/gen_acctng/RequestToProvideFood.pdf

- A. The memorandum/form must document, in detail, the specific purpose of the function. The purpose must be for a valid public purpose and the justification provided should clearly state the public purpose being served. The majority of attendees should not be ADOT or State employees. Please include with, or as part of the memorandum, the following documentation:
 - 1. Meeting agenda
 - 2. List of attendees, both ADOT and non-ADOT
 - 3. A detailed calculation showing how the total cost of the function as well as the food/beverages component of the total cost was determined
 - 4. Detailed explanation why it is necessary to provide food/beverages
- B. The Division Director will approve the specific function and submit the memorandum/form to the Controller for review. The Controller will not approve/disapprove the memorandum/form, only review it for content and highlight potential issues/problems.
- C. The Controller will sign the memorandum/form as reviewed and return it to the Division Director.
- D. The memorandum/form must be retained in the Division Director's files. Any question regarding the function and the valid public purpose must be answered by the Division Director.

1.05 CORRESPONDING POLICIES

[Constitution of Arizona: Article 9, Section 7](#) (gift clause)

Arizona Revised Statute [35-131](#); [38-621](#); [41-722](#); [41-735](#)

Arizona Administrative Code [R2-5-501](#), Standard of Conduct

GAO Technical Bulletin No. 97-5, superseded by Arizona Accounting Manual, [Section II-H-1-IV-E](#) "Food and/or Beverages at Meetings or Conferences"

ADOT Policy and Procedure [PER-6.03 ADOT Policy on Gifts](#)



Arizona Department of Transportation

REQUEST TO PROVIDE FOOD/BEVERAGES

Prepared By Name _____ Date _____

Telephone number _____ Org _____

Mail Drop _____ Division _____

Date of Function _____

Detailed Description of Function including justification of the public purpose being served as well as the reason to provide food/beverages (attach meeting agenda, additional pages and documentation as needed)

Number of Attendees (attach list) _____

Number of Attendees who are ADOT or State employees (attach list) _____

Estimated Total Cost of Function (paid by ADOT) (provide calculation) _____

Estimated Cost of Food/Beverages (provided by ADOT) (provide calculation) _____

Reviewed By Controller/CFO _____

Approved By Division Director _____

** All fields are required and must be completed. **