



# State of Arizona Accounting Manual

Topic 80 Miscellaneous  
Section 12 **Food and Beverages**  
**at Certain Training Activities**

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## INTRODUCTION

Upon rare occasions, it can be in the best interest of the State to provide a meal to those who, whether in travel status or not, are participating in certain training activities. These training activities may involve operations-based field exercises and discussion-based classroom sessions.

An operations-based field exercise (hereinafter, “field exercise”) is comprised of a set of coordinated actions performed by a group of personnel that simulates an actual operation and typically is a means of practicing for such an operation. Unlike classroom instruction based upon discussion or exposition, an exercise frequently takes place under conditions and/or in locations that attempt to replicate those likely to be encountered by participants during an actual operation. The conditions under which as field exercise is conducted may favor the provision of meals to participants.

Typically, field exercises involve certain military, paramilitary, public safety, police, fire control, emergency management, and disaster recovery activities. It is important to recognize that most State agencies rarely, if ever, conduct or participate in field exercises of the type contemplated by this section of SAAM.

A discussion-based classroom session (hereinafter, “classroom session”) involves instruction more than operational simulation, but may, under certain, very restrictive conditions, still allow meals to be provided to participants.

For the sake of brevity, the term “training activity” shall be used herein to refer to either a field exercise and/or a classroom session.

Most important is that the training activities, which are the subject of this section of SAAM, wherever or under whatever conditions they may be held, are of a nature that their purpose can be severely frustrated or their cost significantly increased by interruptions for meal breaks that result in the participants leaving the training activity. Note that mere convenience or expediency will not suffice to justify the provision of food and beverages at a training activity—it must be unambiguously demonstrable that the benefit accrued to the State for providing meals outweighs the cost of providing such meals. Meals are not to be provided when a training activity can be conducted in a manner that would avoid the provision of meals and still effectively and economically accomplish its goals. The majority of training activities conducted by the State should not involve meals being provided at the State’s expense.

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This section of SAAM sets forth the conditions and limitations that apply to serving food and beverages at such training activities. It also outlines many of the roles involved in administering training activities and particularly in deciding whether to provide meals at training activities and paying for such meals.

There may be one or more agencies involved in the conduct of a training activity and a training activity may be funded by more than one source. To clarify roles and responsibilities, the following terms are employed herein are discussed below:

The “administrative agency” is that to which funds are appropriated or granted to financially support the training activity. The administrative agency may, itself, spend the proceeds on expenses it incurs, in which case it is also the “expending agency.” The administrative agency may also act as a “pass through” agency when, rather than spending the proceeds itself, it redirects or passes through the proceeds to another agency, which spends the proceeds and becomes the expending agency.

The term “sponsoring agency,” for purposes of this section of SAAM, is any agency responsible for the conduct of and/or the expenditure of funds relating to the training activity and includes both administrative and expending agencies.

Responsibilities attach themselves to the role or roles an agency plays in the conduct of a training activity.

There may be several “participants” whose presence may be necessary at a training activity and each of these types of participants may have a different set of prescriptions and proscriptions relating to the provision of meals covered in the Section of SAAM:

- State employees who are:
  - Trainees.
  - Non-trainees; this may include those who are trainers, evaluators, observers, and certain volunteers, as well as personnel from the administrative and/or sponsoring agency deemed necessary to provide oversight.
  - In travel status.
  - Not in travel status.
- Non-State employees who are:
  - Trainees.
  - Non-trainees; this may include those who are trainers, evaluators, observers and certain volunteers.

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## **POLICY & PROCEDURES**

1. This policy is limited in scope and application to “training activities,” as described in the Introduction.
  - 1.1. Most educational events are not “training activities” as described in this section of SAAM. Breaking for lunch, for example, would not severely frustrate—and, in fact, might facilitate—the achievement of the goals of most educational events.
  - 1.2. If an agency is unsure as to whether a particular educational event qualifies as a training activity falling within the scope of this section of SAAM, it should request, at least twenty (20) business days before the event, a written determination from the State Comptroller. The request should contain sufficient information to make such a determination.
2. This policy deals primarily, but not exclusively, with the provision of meals to State employees who are not in travel status.
3. The provision of meals to training participants not in travel status should be avoided when it is possible to do so without negatively affecting the success of the training activity.
4. Training activities should not be purposely scheduled or planned in such a way that meals will be provided to those participants not in travel status, when alternative arrangements can be made.
5. When the conduct of a training activity involves more than a single State agency—i.e., two or more State agencies and/or one or more State agencies in concert with one or more non-State governmental entities—the administrative and expending roles of each of the entities should be agreed to in writing before any arrangements or announcements of the training exercise are made. This can be accomplished by any of the following or the appropriate combination thereof, subject to appropriate legal review:
  - 5.1. A grant agreement.
  - 5.2. An intergovernmental agreement (IGA).
  - 5.3. An interagency service agreement (ISA).
  - 5.4. A memorandum of understanding (MOU).
6. As discussed in SAAM 5040, agencies should not provide meals at the State’s expense unless by so doing the State’s business can be conducted more economically than would otherwise be the case.

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- 6.1. The terms “meal,” “food,” and “beverage” as used in this section of SAAM do not extend to those comestibles normally considered light refreshments, such coffee, soft drinks, pastries, fruit, candy, etc., served as snacks and not constituent components of a meal. Light refreshments at training exercises shall not be provided at State expense, no matter the original funding source.
  - 6.2. Bottled water may be provided at State expense only when in accordance with the provisions of SAAM 8025.
  7. Any meals served incidental to training activities should be demonstrably reasonable and necessary for the accomplishment of the objectives of the training activity.
  8. The economic analysis of any undertaking involves a cost-benefit evaluation in which the cost of an effort includes such direct costs as participants’ compensation and employee related expenses/expenditures, supplies, travel, lodging, meals, etc. Indirect costs and/or opportunity costs and/or less apparent costs—such as a reduction in effectiveness, or the failure to accomplish the goal of the exercise—should also be considered when assessing overall cost.
  9. Depending upon circumstances, funding source and statutory authority:
    - 9.1. A State employee who is a participant may, subject to other restrictions established by this policy, be provided a meal though not in travel status.
      - 9.1.1. All trainees may be provided a meal. A sponsoring agency may, if appropriate, recoup the cost of meals from other agencies, other governments or other employers whose personnel attend or who were scheduled to attend.
      - 9.1.2. All non-trainees whose presence is deemed necessary may be provided a meal.
    - 9.2. A non-State participant involved in a training exercise may, subject to other restrictions established by this policy, be provided a meal at the State’s expense.
      - 9.2.1. The cost of meals provided by the State to a non-State participant involved in a training activity may, subject to other restrictions established by this policy or stipulated by the original funding source, instrument or law, be collected from the organization to which the participant is affiliated.
    - 9.3. The determination as to whether the State or the organization to which a non-state employee participant is affiliated is responsible for paying for a meal provided to the non-state employee participant is to be made before the event and documented in the pertinent agreement.
  10. Field exercises by their very nature are conducted “in the field,” viz., away from buildings, roads, restaurants, etc.

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11. Any training activity at which a meal is provided at the expense of the State must be of six (6) or more continuous hours in duration, not including travel time to and from the training site, interrupted only by one (1) meal break not longer than one half (1/2) hour and brief breaks for personal matters, to take telephone calls, etc.
    - 11.1. Except as may otherwise be specifically permitted, those to not in travel status to whom meals are served at State expense must not leave the training area.
    - 11.2. While it might be permitted to serve a meal at a training activity, it lies within the discretion of the expending agency head or his delegate as to whether a meal will be served. The factors involved in the decision to serve a meal—including an economic analysis—shall be documented before the training activity and retained by the expending agency head or his delegate. Among the factors to be considered are available funds and spending authority.
      - 11.2.1. The case for providing a meal to participants in a field exercise is more convincingly made than it is for a classroom session. This is true because of the nature of training exercises and their typical remove from eating establishments.
      - 11.2.2. Providing a meal to participants in a classroom session is difficult to justify. Frequently, minor changes in the agenda, schedule or location can allow participants to break for a meal without jeopardizing the effectiveness of the classroom session. Documentation of the justification for providing a meal to participants in classroom session must include an explanation of why changes in the agenda, schedule or location were not practicable without jeopardizing the effectiveness of the classroom session or increasing the cost to the State.
        - 11.2.2.1. A table-top exercise that meets the other criteria established herein is, for example, the type of classroom session that would allow the provision of a meal at the State's expense.
      - 11.2.3. Participants in a training activity should be notified in advance by the expending agency as to whether a meal will be provided and, if a meal is not to be provided by the State, that participants should make other arrangements to be fed.
      - 11.2.4. Mere hospitality, courtesy, convenience, camaraderie, collegiality and/or affability—taken collectively or individually—do not constitute a valid justification for providing food at State expense to participants in training activities.
      - 11.2.5. If practicable, the cost of meals provided to participants who are not State employees should be borne by their employers, rather than by the State. This can be accomplished by notifying the employers of the non-State employees that this will be the case and documenting it by agreement with the employers of the non-State employers sufficiently in advance of the training activity.
  12. When a training activity is conducted in the field and the location of the activity would necessitate more than a fifteen (15) minute one-way drive for a participant to

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acquire any meal, meals may, when meeting the other requirements established by this policy, be provided to participants at the State's expense.

- 12.1. Meals for training activities may be provided to participants who are State employees, even when not in travel status, subject to the restrictions imposed by this section of SAAM.
- 12.2. Meals for and at training activities are limited to one (1) meal per participant per day.
- 12.3. The cost of a meal provided at a training exercise is limited to the lesser of the amount of:
  - 12.3.1. The reimbursement amount for lunch, as shown as a partial day rate in SAAM 5095, then in effect for the location in which the meal is consumed. This limitation exists irrespective of the time the meal is purchased, provided or consumed.
  - 12.3.2. The amount allowed under the grant, contract or other source funding the training exercise.
- 12.4. Note that the term "at the State's expense" implies an expenditure of State public monies, irrespective of the original funding source (such as a Federal grant) of such monies.
13. Under this policy, no more than one (1) meal each day may be provided for those not in travel status.
14. Those State employees in travel status are subject to the provisions of SAAM Sections 5025 and 5095.
  - 14.1. If the participation of a State employee in a training activity involves travel status and said participation does not involve an overnight stay, the employee's meal reimbursements for the day are subject to, as applicable, the Single Day or the Extended Day Meal Reimbursement Limit set forth in SAAM 5025 and 5095. These limits are reduced by the amount specified as a lunch reimbursement for the area in which the training activity is conducted.
  - 14.2. If the participation of a State employee in a training activity involves one or more overnight stays, the employee's meal reimbursement rates for the days of the employee's departure and return are subject to the seventy-five percent (75%) reimbursement limitations outlined in SAAM 5025 and 5095. These reimbursement amounts and the reimbursement amounts for intervening days are to be reduced for meals provided, which in this case is the amount allowed for lunch in the location where the training activity is conduction.
  - 14.3. Certain training activities, particularly field exercises, may be conducted late in the evening. This does not constitute an overnight stay or overnight travel unless the

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training activity spans sixteen (16) or more hours, involves lodging away from home, and includes a period of sleep or substantial rest.

15. No meals may be provided to those whose presence is not required at the training site for the duration of the training activity.
16. The cost of meals provided under the provisions of this policy is to be recorded using Expenditure Object 6711, rather than 6541 or 6542.
  - 16.1. Travel claims that may be filed in connection with this training event are to be scrutinized to ensure that no claim is made for a meal that was provided.
17. Meals must be served and consumed at the training site. There is a twofold reason for this:
  - 17.1. If adequate time is available to acquire and consume a meal off premises, then the rationale for providing meals is invalidated.
  - 17.2. If not served and consumed on the premises, the meal provided is taxable to those who partake if no overnight travel is involved.
18. The expending agency must obtain and retain a receipt for the actual cost of the food and beverages served.
19. The expending agency must obtain and retain a list of all training activity participants and dates of training activities. The list must contain the participants' names and organizational affiliations.
  - 19.1. Participants' organizational affiliations may be State agencies, training organizations or governmental organizations not part of State of Arizona Government, such as municipal or country police departments.
    - 19.1.1. Meals provided by the State to a non-State participant involved in a training activity may, subject to other restrictions established by this policy, be collected from the organization to which the participant is affiliated.
  - 19.2. The determination as to whether the State or the organization to which a non-state employee participant is affiliated is responsible for paying for a meal provided to the non-state employee participant is to be made before the event and documented in the pertinent agreement.
20. To determine the cost of each meal acquired, divide the total cost of the food by the total number of participants to whom food was provided.
21. The expending agency head, his deputy or the agency CFO must approve payment for the meals.

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22. The expending agency head or his delegate is to prepare or approve an analysis that demonstrates and documents the economic or operational benefit of having provided meals to the participants. This analysis shall be made available to the administrative agency and be retained for audit.
  23. The justification for allowing the provision of food and beverages at the State's expense at training activities to those not in travel status may be one or more of the following:
    - 23.1. The reduction of the overall cost to the State of conducting the training activity.
      - 23.1.1. This may be accomplished by reducing the number of days required for the training activity and, thereby, the overall cost to the State. The reduction in the number of days of the training activity, in turn, reduces or eliminates:
        - 23.1.1.1. The costs of additional meals and lodging that would have been incurred resulting from overnight stays for required participants in travel status. (This implies that one or more of the participants are in travel status and are or would be entitled to overnight lodging and additional meals were the training activity to be held over one or more additional days.)
        - 23.1.1.2. Facility or equipment rental costs related to the training activity.
        - 23.1.1.3. Personnel costs related to the participants.
        - 23.1.1.4. Opportunity costs related to the extended use of facilities, equipment or personnel.
        - 23.1.1.5. The impracticality of convening training activity participants for an additional day or days.
        - 23.1.1.6. The nature of the training activity is such that dismissing a significant number of participants from the training site for a meal time break would be detrimental to the effectiveness of the training activity.
  24. No more than two (2) persons may be sent from the training activity site to acquire meals for the participants. It may be more efficient and effective to have meals for the training activity catered or to have meals delivered. However, even in such cases, the per-participant meal cost is not to exceed the reimbursement limit for lunch applicable to the location where the training activity is being conducted.
  25. Other persons involved in the training activity shall not, except in the case of emergency, leave the training site during the training activity. If necessary under the circumstances, an attendance roster recording participants' arrivals and departures should be maintained.

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26. Trainers and evaluators who are not State employees may, subject to the conditions outlined below, be provided a meal at training activities at the State's expense.
    - 26.1. No more trainers or evaluators may be fed at the State's expense than the number whose presence is required at the training activity at the time the meal is provided.
    - 26.2. The expending agency head should consider the ratio between trainers and/or evaluators and trainees in making decisions relative to training activities and the costs of such activities.
  27. All monies due to the State and, as required, deposited with the State Treasurer are by definition public monies and therefore subject to the policies and reimbursement limitations established by the State.
  28. Purchases conducted in connection with this policy should not be made using a Travel Card; the use of the P-Card is recommended.
  29. While field exercises may be necessary to practice certain operations, or to comply with laws or the terms of grants, or to acquire or maintain certifications, other equally effective but less costly alternatives should be considered and chosen when possible.
  30. The cost of meals—and the possible avoidance of that cost—should be considered when scheduling the hours during which training activities will be conducted.

For example, if practicable and not detrimental to the objectives of the training activity, it might be possible to conduct drills in the field during a morning session, break for a lunch period consistent with other provisions in this section of SAAM, and present classroom instruction in an afternoon session. In such circumstances, only State employees in travel status would be entitled to a meal reimbursement.

31. A non-sponsoring State agency is responsible for reimbursing an expending State agency for meals purchased for the non-sponsoring State agency's employees, if:
  - 31.1. The expending agency purchased meals in anticipation of the attendance of non-sponsoring agency employees who were registered to participate in a training activity but failed to appear.
  - 31.2. The expending agency purchased meals for non-sponsoring agency employees who appeared, but failed to participate in the entire training activity.
  - 31.3. The head of the expending agency, at his own discretion, elects to charge the non-sponsoring agency for such costs and to provide the non-sponsoring agency evidence of non-attendance or non-participation and the cost of the meal or meals to be reimbursed.

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32. An expending agency may bill a non-State entity for meals purchased, but not consumed by, non-State entity employees.
33. The expending agency shall retain for audit and provide to the State Comptroller upon request all relevant records relating to the provision of food or beverages provided at training activities.
34. All the time spent by a State employee for the duration of the training activity shall be considered time worked, even though it might incorporate a brief (one half (1/2) hour or less) pause to consume a meal.
  - 34.1. This is of particular importance when the State employee is not exempt from overtime under the FLSA and his participation, without schedule changes made by management, would result in the employee's earning an overtime premium.
  - 34.2. When assigning a non-exempt State employee to a training event, management should consider rearranging the employee's work week to avoid an employee's earning an overtime premium.
  - 34.3. Changes to a non-exempt State employee's work schedule may only be made prospectively, not retrospectively.