



## MEAL & ENTERTAINMENT EXPENSE GUIDELINES

Type of Expense	100% Deductible	50% Deductible	Examples
Client business meal		X	Business dinner to develop client relationship, or lunch with coworker to discuss business; may not be extravagant or lavish.
Meal during meetings (that are entertaining in nature) with prospects or clients		X – value of meal only; <i>entertainment nondeductible</i>	An important client or prospect is invited to a special dining experience at an expensive restaurant with the CEO.
Entertainment costs for prospects or clients.	<i>Nondeductible</i>		Business buys tickets to a sporting event and invites prospective client.
Meals provided to employees at workplace ( <i>excluded from employee's wages</i> ).		X	Lunch ordered for quarterly department meeting or occasional employee treat.
Meal during employer-organized conferences, seminars or training schools	X		Lunch provided by employer at training seminar hosted at a hotel or conference center.
Occasional in-office working meals	X		Dinner ordered and paid for by employee while working overtime; meal reimbursed by employer.
Meals during business travel		X	Meal expenses incurred during a business trip, including meals paid for by employee and reimbursed by employer; must not be extravagant or lavish.
Company-hosted event (e.g., holiday parties, summer picnics)	X		Retirement luncheon to celebrate employee's years of service to company.
Tickets to charitable, sporting or entertainment event for employees and clients		X – value of meal only, and only if value is stated separately	Tickets for employees or clients to professional golf tournament that benefits charity; Meal tickets to a charitable dinner.
Club Memberships	<i>Nondeductible</i>		Country club / Social club dues are only deductible if reported as part of compensation to employee.
Dues for public or professional service organization	X		Dues paid to legal or accounting association, Kiwanis or Rotary Club.

*These are general guidelines that may vary based upon individual facts and circumstances.*