



Use of Federal Grant Funds for Food or Drinks

Professional Development Activities, Receptions, Networking Sessions, or Meetings

As a general rule, federal grant funds cannot be used to provide food or drinks during professional development activities,¹ gatherings, receptions, networking sessions, or any other type of meeting (collectively referred to as “meeting”). There are extremely rare situations when federal funds could be used to provide food or drinks during a meeting. While these determinations are made on a case-by-case basis, grantees will have to make a compelling case that the unique circumstances they have identified would justify these costs as reasonable and necessary.

Hosting Meetings

When a grantee is hosting a meeting, the grantee should:

- Structure the meeting so participants have time to purchase their own food, beverages, and snacks;
- Consider a location in which participants have easy access to food and beverages; and
- Only pay for allowable costs.

In planning a meeting and negotiating with vendors for meeting space and other relevant goods and services, grantees may only pay for allowable costs. If a hotel vendor embeds food and beverage costs into a hotel contract for the meeting space, the grantee should work with the hotel to have the food and beverage costs identified and “backed out” of the contract. This includes having the price the grantee is paying for the meeting space appropriately adjusted to reflect that food and beverages are not being purchased.

Alcoholic Beverages and Indirect Costs

Purchasing alcoholic beverages is never allowable and strictly prohibited. In addition, the cost of food and drinks cannot be funded with indirect costs generated by the use of federal grant funds because they are easily associated with a specific cost objective and properly treated as direct costs, rather than indirect costs.

Travel Costs

Travel costs are the expenses for transportation, lodging, subsistence (i.e., supporting oneself at a minimum level), and related items incurred by employees who are in travel status on official business of the non-federal entity. Such travel costs may be charged on an actual cost basis, a per diem basis, or a combination of the two provided that the method used is applied to the entire trip and not to select days of the trip ([2 CFR 200.474\(b\)](#)).

¹ The Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act, states that all professional development activities must be “sustained (not stand-alone, one-day, or short term workshops), intensive, collaborative, job-embedded, data-driven, and classroom-focused” (ESEA § 8101(42)(B)).

Iowa Department of Education guidance should be viewed as advisory unless it's specifically authorized by state statute, according to Iowa Code section 256.9A as enacted by Senate File 475. This does not apply to administrative rules, declaratory orders, or materials required by federal law or courts.

In addition, the travel cost must result in charges consistent with those normally allowed in like circumstances in the entity's non-federally-funded activities and in accordance with entity's written travel reimbursement policies. The use of federal grant funds to provide food or drinks can also be limited by these entity's written travel reimbursement policies. If the entity only provides two meals per day in its written travel policies, the use of federal grant funds will also be limited to two meals a day ([2 CFR 200.474](#)).

Lodging and Subsistence (2 CFR 200.474(b))

Costs incurred by employees for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the entity in its regular operations as the result of the entity's written travel policy. In addition, if these costs are charged directly to the federal award documentation, the grantee must justify that:

- (1) Participation of the individual is necessary to the federal award; and
- (2) The costs are reasonable and consistent with non-federal entity's established travel policy.

If the entity does not have an acceptable, written policy regarding travel costs, the rates and amounts established under "Travel and Subsistence Expenses; Mileage Allowances" ([5 U.S.C. 5701-5711](#)), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter must apply to travel under federal awards ([48 CFR 31.205-46\(a\)](#)).

Whether food and drinks are considered subsistence, and allowable as an expense under a federal grant, is dependent on whether the food and drinks are already provided through other means while traveling. If meals are provided as part of the activity causing the employee to travel, food and drinks may not be funded with federal grant funds for the meals would be provided by other means. Therefore, no federal grant funds can be used for food and drinks when three meals a day are provided as part of the activity the employee is engaged in.

Additional ESSA Guidance

For additional ESSA guidance, visit the [ESSA Guidance and Allocations](#) webpage.