

Types of expenses	Fully deductible	Subject to 50% limitation	Examples
Employee business related events			
Business meetings		X	Lunch with coworker or client to discuss business
Out of office meal while attending training or professional meeting		X	Dinner paid for by employee and reimbursed by employer after a training seminar
Meal and entertainment for highly compensated employee		X	Dinner / entertainment exclusively for managers at county club for recreational purposes
Meal for occasional office meeting for the convenience of employer	X		Lunch ordered for quarterly department meeting
Meal for occasional large group sales or promotional meeting	X		Lunch for large group during sales seminar hosted at a hotel or conference center
Meal during conferences, seminars or training schools	X		Lunch provided by employer at a training seminar hosted at a hotel or conference center
Occasional in office working meals	X		Dinner ordered and paid for by the employee while working overtime and reimbursed by employer
Nominal food and beverages	X		Bagels, doughnuts, coffee and drinks provided during meetings or social gatherings
Employee out of town expenses			
Out of town travel not treated as compensatory		X	Reimbursement to employee not included in employee's compensation for meal expense incurred on business trip
Out of town travel treated as compensatory	X		Meal expenses incurred during a business trip included in employee's compensation
Travel and lodging	X		Mileage, airfare and hotel for out of town business
Client business related events			
Client business meetings		X	Business dinner or outing to develop client relationship
Employee social events			
Meals and entertainment incurred for social or recreational purposes primarily for the benefit of employees other than highly compensated employees	X		Retreats for employees to encourage team building Summer outing for employees and family Holiday part for employees and family Employee happy hour
Meal expense if for the benefit of highly compensated employees	X		Celebratory dinner for an executive to commemorate an achievement
Miscellaneous			
Qualified charitable events for employees and clients	X		Tickets for employees or clients to professional golf tournament that benefits charity
Nondiscriminatory events that recognize individual or group achievements	X		Retirement luncheon to celebrate employee's years of service Rewards dinners