



## Ohio Administrative Code

### Rule 3341-6-04 Athletic/bowl game travel and entertainment related expenses.

Effective: May 18, 2026

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#### (A) Policy statement and purpose

Bowling Green state university (BGSU) will reimburse employees required to travel as representatives of the university to bowl game or athletic event activities who incur ordinary and necessary business and entertainment related expenses as per this policy outlined below.

#### (B) Policy

The university is required to determine whether there is a taxable benefit (i.e., income) attributable to any persons traveling to or attending an athletic event, including a bowl game, when the university has paid for that person's travel, room, meals, tickets, or other related costs.

The general rule is that any expenses incurred for a recognized business purpose are excludable from an employee's taxable income unless determined to be a taxable fringe benefit under applicable tax law. Conversely, amounts expended on behalf of an employee that are not directly connected to or attributable to a recognized business purpose, or that are required to be treated as a fringe benefit, must be included in the employee's taxable income and reported to the IRS via that employee's W-2.

BGSU considers amounts expended on behalf of an employee's spouse, dependent, or guest as expended on behalf of the employee and are subject to the same requirement. Each paragraph of this rule explains what is involved in determining the taxability of the benefit.

#### (1) Recognized business purpose

Employees attending an athletic event or bowl game for a recognized business purpose include all employees who are performing an integral part of their job function during the trip. Generally, this would include athletic department coaches and support staff needed for the team's effective participation in the event. It would also include development personnel who are attending to cultivate current and potential donors and to host university guests and other dignitaries at special events conducted in relation to the athletic event. It may include other employees attending to organize and conduct events, on behalf of BGSU, and its students, alumni, and friends when those events are related to the purpose of the trip.

These examples are provided to assist in clarifying the definition of "recognized business purpose." There may be other individuals who



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have a recognized business purpose for attending. It is important for all employees to document their activities to substantiate the business purpose of their travel - particularly when a spouse or other non-employee has a business purpose for the trip. In the event of uncertainty, contact the controller's office or the office of the vice president for finance and administration prior to incurring any expenses or entering travel status.

Each guest's ordinary and necessary business purpose will need to be documented by the department/division head who has invited the guest. Please note: Per IRS regulations, any invited guests who bring dependent children, spouses or other guests who have no business purpose, will receive a form 1099-MISC for any taxable benefit that meets or exceeds the 1099-MISC reporting threshold of six hundred dollars.

The IRS recognizes that an employee's spouse may have a business purpose for attending a special event such as a bowl game. For example, BGSU may hold certain events where coaches' spouses are expected to actively participate. Additionally, the university may hold alumni or fundraising events at which a spouse is expected to participate in hosting. Note: dependent children are generally not considered acceptable participants in determining a recognized business purpose.

Documentation will be required for each individual receiving university provided travel, hotel, meals, tickets, and other benefits. demonstrating the business purpose for the benefit received.

## (2) Airfare

The airfare of all individuals attending the athletic event or bowl game for a recognized business purpose is excludable from taxable income as a working condition fringe benefit. The fair market value of airfare for those not attending for a business purpose is includable in compensation.

Determination of fair market value: If travel was on a commercial flight, the fair market value would be the price of a ticket. If travel was on a charter flight, the controller's office will calculate the amount of income to be recognized.

Exception to taxable income recognition: Under current IRS regulations the taxable income of airfare can be excluded under certain circumstances: When fifty percent or more of the regular passenger



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seating capacity of an aircraft is occupied by individuals whose travel purpose is primarily for the employer's business purpose, others who do not have a business purpose may fly and no additional income is recognized.

Non-employees: Independent contractors, members of the board of trustees, external vendors, and any other guests must be treated as non-employees. If a traveling non-employee is engaged in a recognized business purpose on behalf of the university, no portion of the expenses incurred by the university on their behalf would be attributable to him/her as taxable income and thus no 1099 would be issued. Conversely, if a non-employee is traveling without a recognized business purpose, and provided travel, lodging, meals, tickets or other benefits by the university that individual will be issued a form 1099-MISC if the reporting threshold is exceeded.

(3) Ground transportation

Ground transportation charges for employees with a recognized business purpose is excludable from income. If additional charges are incurred for spouses, dependents, or others who do not have a business purpose, such amounts are includable in the employee's compensation.

If there is no additional cost for the transportation (e.g., cab fare is the same for one or two people), then no additional compensation is attributed to the employee.

(4) Hotel

Payment of lodging costs for those employees making the trip for a recognized business purpose is excludable from their compensation.

If employees are accompanied by others who do not have a business purpose for the trip, only the incremental costs associated with the additional guests would be includable in the employee's taxable compensation.

Example: If the cost of a hotel room is the same for a single or double room and the employee's spouse accompanies them for a non-business purpose, there would be no additional compensation to the employee.

However, if there is an additional cost for the double room, then additional cost will be taxable compensation for the employee.

(5) Event and game tickets



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The cost of tickets for those attending the game or for those attending an event for an ordinary and necessary business purpose are excludable from income. The cost of tickets for spouses, dependents, or others who do not have a business purpose for attending the game or event would be includable in the employee's taxable compensation.

(6) Per diem or meal reimbursement

Per diem payments and meal reimbursements for employees traveling with a recognized business purpose are excludable from compensation. Any reimbursement for accompanying guests would be included in the employee's income unless the accompanying guest was engaged in a recognized business purpose. Per diem and meal reimbursements are not available when group meals or event provided meals are made available.