Process Improvement Hospitality & Direct Pay

FAS

WHY?

01

Enhancing internal controls

02

Streamline processes & eliminate redundancies

Timeline

Hospitality and Direct Pay Live	• Effective 9/1 <i>"Direct Pay" old forms accepted through 9/30</i>
Pilot/Comment Period	 8/17-9/30 Send comments and questions to Shannon Honour shonour@csusm.edu
Review	 10/1-10/31 FAS will compile, organize and review comments
Improve	• 10/1+ FAS will respond and make applicable updates
Communicate	• FAS will communicate actions taken

Hospitality

Updates

- Applies to: State, CORP, Foundation
- Consolidated Manual
- Consolidated Approval Form New for CORP and Foundation Funding
- Added definitions
- Updated matrix w/ account codes
- In person meetings only
- Roles & Responsibilities
- Employee and Student Award Sections

Hospitality Expenses are allowable when...

- Expenses are necessary
- Appropriate to the occasion
- Reasonable in amount, and;
- Serve a purpose consistent with the mission and fiduciary responsibilities of the University

ALLOWABLE EXPENDITURES AND FUNDING SOURCES

General Expense Type Category	Funding Source			Account Code
Expenditures/Occasions	All University/CSU Trust/Operating Funds (excluding 496)	Auxiliary Funds must comply with Auxiliary procedures (85xxx per written agreement)	496 Misc. Trust Funds	Account code to be used for purchase (see list below
Alcoholic Beverages, including tax, gratuity and service charges.	No	Yes ³	Per written Agreement	660927 or 660928
Meals and Light Refreshments (non-alcoholic) for business meetings and events attended by official guests e.g., employees from another work location (campus), students, donors, individuals being recruited for employment, visitors & volunteers.	Yes1	Yes1	Per written Agreement	660927 or 660928
Meals and Light Refreshments (non-alcoholic) for business meetings and events attended ONLY by employees of the same work location where the participants are required to work through the meal period (campus).	Yes1	Yes1	Per written Agreement	660927 or 660928
Awards and Service Recognition, Retirement - minimum 5 years of service.	Yes ²	Yes	Per written Agreement	660944
Bereavement Gift Expenditures such as flowers, plant, or card for employees or former employees.	No	Yes	Per written Agreement	660846
Personal Benefit (weddings, anniversaries, baby showers, get well, and birthdays).	No	No	No	NA
Entertainment Services e.g., equipment and venue rental, décor, music & performers.	No	Yes	Per written Agreement	660820
Employee Meetings & Recognition Events including official employee morale functions (must serve a bona fide business purpose).	Yes	Yes	Per written Agreement	660820
Gifts with expectation of benefit or other bona fide business purpose	No	Yes	Per written Agreement	660846
Professional Organization Meeting	Yes	Yes	Per written Agreement	660962
Promotional Items - Non-Employees	Yes	Yes	Per written Agreement	660962
Promotional Items - Employees	Yes ²	Yes	Per written Agreement	660962
Memberships in Social Organizations e.g., University clubs, civic organizations.	No	Yes	Per written Agreement	660820
Community Relations/Fundraising	Yes	Yes	Per written Agreement	Various (see li below)
Receptions - held in connection with conferences, meetings of learned society or professional organization, meetings of student organizations and meetings of other CSU related groups.	Yes	Yes	Per written Agreement	Various (see li below)
Spouse or Domestic Partner hospitality expense with bona fide business purpose.	Yes	Yes	Per written Agreement	Various (see li below)
Student recruitment, student recognition events, and Revised 8/17/20	Yes	Yes	Per written	Various (see li

660927 – Other Catering 660928 – Other Non-Catering Food 660962 – Promo Items

Account Codes

660944 – Other Awards/Honors 660846 – Supβrv Gifts and Acknowledgements 660945 – Other Incentives 660820 – Other Hospitality

Footnotes:

1) Meals or light refreshments provided to employees may be permitted if the meal is integral to the business function, infrequent and modest. Meals or light refreshments (limited to no more than twelve times per year, per group) provided in the course of an event may not exceed the maximum per person rate for breakfast (\$25), lunch (\$50), dinner (\$75) and light refreshments (\$60). These rates are inclusive of beverages, labor, sales tax, delivery fees, and other service fees.

2) Cash and cash equivalent items such as a gift card and gift certificate, no matter how small, are always taxable to the employee as wages. A non-cash award or prize may have a taxable consequence to the employee if it does not meet the IRS definition of de minimus and infrequent. Refer to IRS for tax rules in resources and materials section.

3) Alcohol purchases must follow the CSUSM Alcohol Policy.

Blanket Hospitality

Case-by-case basis

Specific to set of recurring events, rather than a general department/annual approval

Comply with the applicable policies, procedures and guidelines

Supporting documentation required with payment Blanket approval may not exceed one year (use fiscal years)

Approvals

State/Foundation: University Controller Corporation: Corporation Executive Director

APPROVALS

Cost/Type	Hospitality Approvals	Supporting Documentation
<\$500	 Department/Unit Head/One-up manager For 85xxx, Principal Investigator For 85xxx, Office of Sponsored Projects Level I Approving Authority* 	 Agenda Roster Participant Incentive approvals (if applicable
>\$500	 Department/Unit Head/One-up manager For 85xxx, Principal Investigator For 85xxx, Office of Sponsored Projects Level I Approving Authority* Level II Approving Authority** 	 Agenda Roster Participant Incentive approvals (if applicable
Special Circumstances (regardless of amount)***	 Department/Unit Head/One-up manager For 85xxx, Principal Investigator For 85xxx, Office of Sponsored Projects Level I Approving Authority* Level II Approving Authority** 	 Agenda Roster Gift Card approvals (if applicable) Participant Incentive approvals (if applicable
Blanket Hospitality	 Department/Unit Head/One-up manager For 85xxx, Principal Investigator For 85xxx, Office of Sponsored Projects Level I Approving Authority* Level II Approving Authority** University Controller (state/foundation) or CSUSM Corporation Executive Director (Corporation) 	 Clear justification of the need for a blanket hospitality A list of usual/estimated attendees Description of established university event

Individuals with delegated approval authority may not approve their own expenses, and individuals may not approve the expenses of their supervisor. The exception is the approval of the Chancellor or President's expenditures by the Chief Financial Officer.

Roles & Responsibilities

Requestor/Submitter

Certifies expenses are <u>necessary</u>, <u>appropriate to the</u> <u>occasion</u>, <u>reasonable</u> in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University.

Confirms the expense is <u>allowable</u> per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures and guidelines

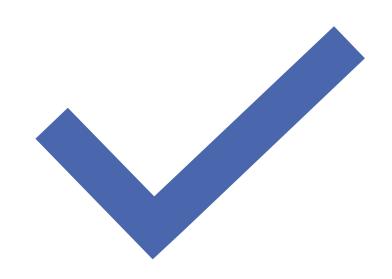
Attaches required supporting documentation.

Roles & Responsibilities Approving Authorities

Approving Authorities

Role	Responsibility	
Principal Investigator (if applicable)	Ensuring <u>expenses charged to funds authorized</u> for the purpose.	
Approving Authority/Fiscal	Substantiates expenses are necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University.	
Authority	Confirms the <u>expense is allowable</u> per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures and guidelines.	
Office of Sponsored Projects (if applicable)	Ensuring expenses charged <u>to funds authorized</u> for the purpose.	
All involved in the review or approval routing.	Approving/denying the Direct Pay form in a timely manner.	
	Denying requests not directly related to official University business.	

Roles & Responsibilities Accounts Payable



- Review for compliance with CSU Hospitality Policy and CSUSM Hospitality Guidelines
- Verify appropriate approver (Per CSUSM Hospitality Guidelines)
- Ensure appropriate supporting documentation is submitted
- Not responsible for substantiating business purpose

Hospitality Opportunities for Improvement

Business Purpose

Agenda

Attendee list

Direct Pay

- Applies to: State, CORP, Foundation, ASI
- Updated guidelines
- Form \rightarrow Adobe Sign
- Reduced categories
- Employee signature for reimbursement
- No gift cards use ProCard

When do we use Direct Pay?

"...little or no value can be added by processing the transaction through the standard procurement procedures." When not to use Direct Pay

- Payments for Agreements/Contracts*
 - Payments against Purchase Orders
 - Services (a PO/Agreement is required)
 - Space Usage off-campus (a Facilities Use Agreement is required)
 - Independent Contractors
 - Software
- Travel (use a Travel Claim)
- Gift Cards (see business unit purchasing procedures)
- Stipends
- *Limited exceptions

Direct Pay Form vs. Invoice

- You may not need to submit a Direct Pay Form if you have an invoice:
- On the invoice, please include the following:
 - Chart field string (if no PO is in place)
 - Fiscal Authority approval signature
 - Purchase Category (see list below)
 - Original authorized signatures and the words "Direct Pay" on the invoice itself along with all necessary information for payment.

Allowable Categories

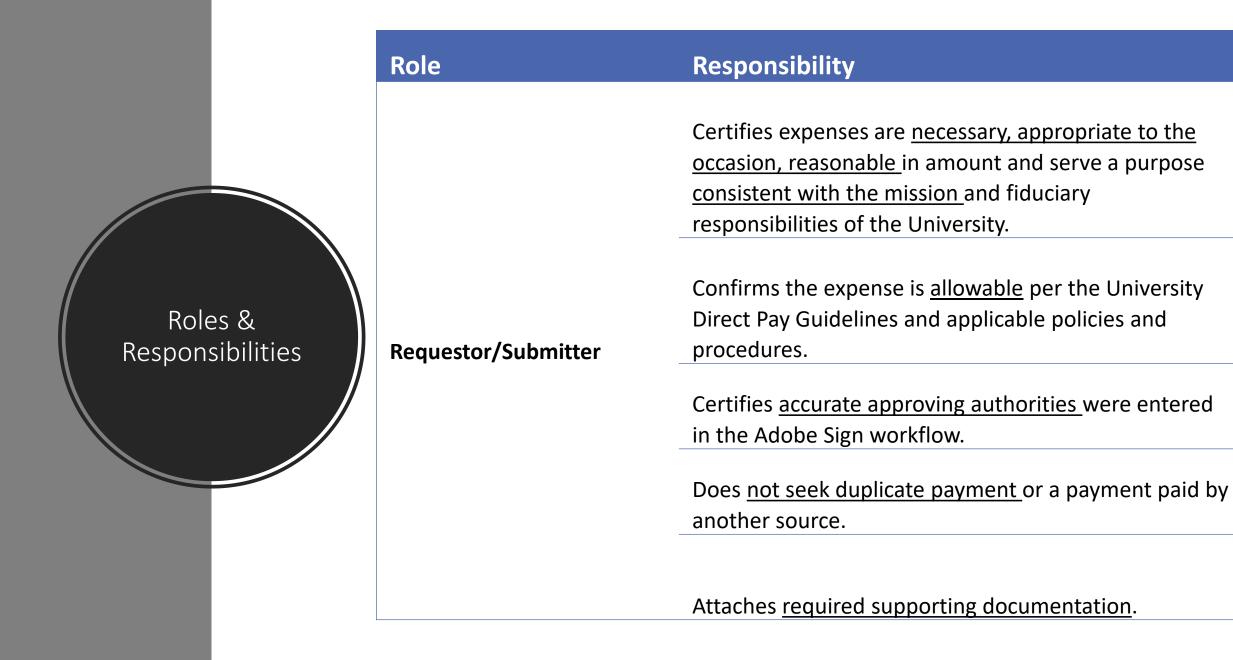
Acct Code	Category	Acct Code	Category	
660017	Advertising* (not to exceed \$2,500)	660002	Printing* (not to exceed \$2,500 per job)	
660003	Cell Phone Reimbursement (\$50)	660009	Professional Development* (no travel)	
660805	Community Outreach/Sponsorship (i.e. purchase tables at events with no terms and conditions to be signed). For events with terms and conditions to be signed, contact Procurement or CSUSM Corporation	Varies	Refunds for overpayments and agency/third transactions (BFS only)	
504006	Fine & Forfeiture Revenue (Parking)	660009	Registration* (i.e. training, webinar, seminar, conference, etc. – no travel)	
660820	Hospitality* (Attach approved Hospitality Form)	660943	Research Participants (may not pay students or employees)	
660861	Insurance (IRM and CORP Admin only)	660019	Settlements/Garnishments (Payroll and Integrated Risk Management only)	
616005	IITS Hardware Technology (Visit: https://www.csusm.edu/iits/trp/order.html. and attach IITS approval)	613803	Student Teacher Agreements	
660805	Memberships*	660003	Supplies*	
Varies	Non-resident Alien	Varies	Utilities	
	660944 Awards/Honors 660945 Incentives		605001 Electricity 605004 Water 605002 Gas 605005 Sewage 605003 Oil Oil Oil	
Varies	Other (may require procurement/CORP approval)			

Compliance and supporting documentation

- Direct Pay must comply with applicable policies/procedures:
 - Procurement Policy CSUSM or CSUSM Corporation
 - CSUSM Hospitality Guidelines
 - Property Control Policy
 - Public Relations Funds Policy CSUSM Corporation
 - Other as applicable
- Attach supporting documentation and applicable pre-approvals:
 - IITS Hardware Technology purchases –Visit: <u>https://www.csusm.edu/iits/trp/order.html</u>. Attached IITS approval.
 - Food/Gift Purchases See CSUSM Hospitality Guidelines
 - Event-related Purchases See CSUSM Hospitality Guidelines

Approvals

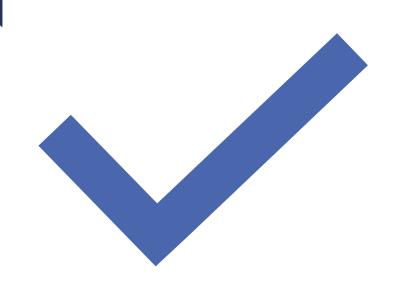
- Employee (only required for employee reimbursements)
- One-up Manager/Supervisor (only required for employee reimbursements)
- Fiscal Authority (If the One-up Manager/Supervisor does not have fiscal authority)
- Office of Sponsored Projects (for CORP 85xxx projects only in addition to Fiscal Authority)
- If over \$10k, Division Vice President/Provost
- If over \$50k, CFO or Chief of Staff for FAS payments



Roles & Responsibilities Approving Authorities

Role	Responsibility	
Principal Investigator (if applicable)	Ensuring <u>expenses charged to funds authorized</u> for the purpose.	
Approving Authority/Fiscal Authority	<u>Substantiates expenses</u> are necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University.	
	Confirms the expense is <u>allowable</u> per the CSU Direct Pay Guidelines and applicable policies and procedures.	
Office of Sponsored Projects (if applicable)	r ed Projects (if Ensuring expenses charged <u>to funds authorized</u> for the purpose.	
All involved in the review or approval routing.	Approving/denying the Direct Pay form in a <u>timely manner</u> .	
	Denying requests not directly related to official University business.	

Roles & Responsibilities Accounts Payable



- Validates fiscal authority
- Verify appropriate approver over \$10k and \$50k
- Validates purchase is an allowable category
- Ensure appropriate supporting documentation is submitted
- NOT responsible for validating one-up manager/supervisor

Direct Pay Opportunities for Improvement

Business Purpose Supporting documentation

Use ProCard

Questions for PCBO?

Reminder:

Submit to Shannon Honour @shonour@csusm.edu

FAS will collect, organize and respond to each comment

