



# Partners in Campus Business Operations (PCBO)

November 2020

# Agenda

- Opening Remarks
- Adobe Sign Form Updates
- Gift Cards Status Update
- Hospitality Guidelines Updates and Training
- Questions/Answers

# Adobe Sign Form Updates

By Shannon Honour  
Process Improvement Manager

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## Update on All Forms

- “VP” signature has been changed to “PAT Member or designee” signature on all forms
- PAT (President’s Administration Team) includes the VPs and Chiefs

# ProCard Agreement Form Update

Stateside and CORP ProCard agreements  
have been condensed into one form

# Hospitality Form Updates

- ✓ Added dropdown menu to select Business Unit
- ✓ Must enter the benefit to the university
- ✓ Categories on Guidelines and Form are easier to follow
- ✓ Hospitality categories + guest/non-guest have been condensed to checkboxes to mirror matrix on the guidelines
- ✓ It is now required for Level 1 and Level 2 signers to check the certification buttons (rather than just signing)
- ✓ The account code will not be needed on the hospitality form. The account code only needs to be used for payment

# Hospitality Form Approvals

*If an approver fits more than one category, put them last.*

Field	Workflow (Optional or Required)
Requester	Required
Funding Authority or PI or designee (for 85xxx projects only)	Required
2nd Funding Authority or PI or designee (for 85xxx projects only) (For split funded requests)	Optional
Corp Funded Projects: Office of Sponsored Projects (for 85xxx projects) or Finance Director (for 81xxx and 86xxx projects)	Optional
Level I Reviewer	Optional
Level I Approving Authority	Optional
Level II Reviewer	Optional
>\$500 Level II Approving Authority	Optional
Reviewer for Special Circumstances	Optional
If "Special Circumstances" PAT Member	Optional
Blanket Hospitality Approval, if applicable	Optional

# Direct Pay Form Updates



Account code numbers were added to purchase category dropdown menu



If an employee or student is being reimbursed for Supplies, they must acknowledge that they understand it is university property



Upload button for backup documentation is more noticeable



The requestor name is moving to the bottom of the form



Coming  
soon!

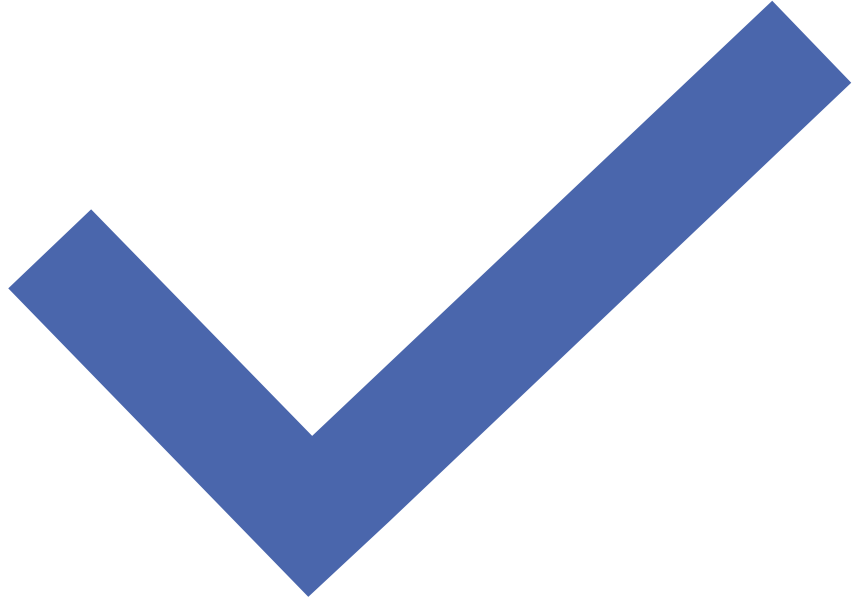
Updated Gift Card Procedures

Updated Gift Card Request Form



# HOSPITALITY

by Diana Cumming, University Controller  
and  
Brittani Brown, Assistant Vice President, Compliance and  
Operations



# CSU Policy

- CSUSM complies with ICSUAM 1301.00 – Hospitality
- CSUSM Guidelines offer local guidance
- Submitters and approvers must be familiar with both CSU Policy and CSUSM Guidelines

# 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

# Judgement

It is also important to consider not only the legality (allowability) of a situation, but also the appearance.

How will it look to others?

Will it reflect well on me and the CSU?

Even when an activity is allowed per policy, consider the appearance and apply good judgement.





# More specifically, what is allowable?

Ask:

- Why are you providing hospitality?
- Is the “WHY” allowable for the funding source being used?
- Check the matrix in section 3 “Allowable Expenditures and Funding Sources”

If yes:

- What are you purchasing?
- Is the “WHAT” allowable?

If yes:

- What rules, regulations, etc. govern the expense activity?
- What supporting documentation do I need to include?
- What level of approval do I need?

NOT Allowable

*under any circumstances or funding sources*

Personal Benefit: Hospitality expenses that are of a personal nature and not related to the active conduct of official CSU business will not be paid or reimbursed. The California gift of public funds doctrine set forth in the California Constitution, article XVI §6, prohibits the giving or lending of public [state] funds to any person or entity, public or private, unless there is a public purpose. Examples include, but are not limited to, employee birthdays, weddings, anniversaries, and baby showers.

# ALLOWABLE EXPENDITURES AND FUNDING SOURCES

## 3. ALLOWABLE EXPENDITURES AND FUNDING SOURCES

General Expense Type Category  Expenditures/Occasions	Funding Source			Account Code
	All University CSU Trust/Operating Funds (excluding 496)	Auxiliary Funds must comply with Auxiliary procedures (\$5000 per written agreement)	496 Misc. Trust Funds	Account codes to be used for purchase (see list below)
Alcoholic Beverages, including tax, gratuity and service charges.	No	Yes <sup>3</sup>	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.	Yes <sup>1</sup>	Yes <sup>1</sup>	Per written Agreement	660927 or 660928
Meals and Light Refreshments (non-alcoholic) <a href="#">Employee Meetings</a> attended ONLY by employees of the same work location. It must serve a bona fide business purpose, for example, a working lunch.	Yes <sup>1</sup>	Yes <sup>1</sup>	Per written Agreement	660927 or 660928
<a href="#">Awards/Prizes and Service Recognition</a> , (e.g. Retirement - minimum 5 years of service, or awards presented during an	Yes <sup>2</sup>	Yes	Per written Agreement	660944

### 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

# Food and Beverage Per Person Limit

Hospitality	Sub-category	Maximum Per Person per day
Food and Beverage (includes catering, labor, sales tax, delivery fees, and other service fees)	Breakfast	\$25
	Lunch	\$50
	Dinner	\$75
	Light Refreshments <sub>3</sub>	\$60

# EMPLOYEE AWARDS

- **The Awards must be given as part of a documented campus award program.**
  - Documentation of the award program is the department who manages the award program responsibility
- Examples of established award programs are CSUSM Employee of the Month, Brakebill, Ernest & Leslie Zomalt Service Award, Kerri Mowen, etc.

# PARTICIPATION INCENTIVES

- Incentives, in the form of promotional items and gift cards, are used to obtain participation and/or collection information from participants
- Participant Incentives are subject to Internal Revenue Service tax laws
- May not be used to pay suppliers, etc.
- Cost between \$10-\$50, unless otherwise stated in the grant agreement
- Keychain, coffee mug, calendar, or clothing as a participant incentive is encouraged
- Gift cards – must be in compliance with gift card procedures

# PARTICIPATION INCENTIVES (cont.)

- **Students**
  - Participant incentive payments, regardless of amount, awarded to students (participating in non-grant related research) will be **reported to Financial Aid** per Title 5, California Code of Regulations, and Section 42500 (d). Refer to the Payments to Students Guidelines.
- **Non-student or non-employee** individual participant that receives \$600 or more of incentive payments/gifts or other income in a calendar year must be reported to the IRS.
- **Employees:** Participant incentive payments to employees, in the form of cash or cash equivalents are always taxable to the employee as wages.
- **CSUSM Corporation Research Participation Incentives**
  - Sponsored projects may provide research incentive payments to individuals or human subjects that are participating in research. These incentives must follow the [CSUSM Corporation Research Incentive Payments Policy](#)
  - For CSUSM Corporation incentives related to Sponsored Projects grant research, please contact [sponsoredprojects@csusm.edu](mailto:sponsoredprojects@csusm.edu)



# AWARD & PRIZES TO STUDENTS

- Awards and prizes to students must be in accordance with the [Payment to Student Policy](#).
- Must be a documented award program
- Documentation of the award program is the departments who manages the award program responsibility

# Gift Cards

In accordance with gift card procedures

Taxable to employees

Requires gift card approval form



# Promotional Items

- **Promotional items to employees**
  - As a general rule, *promotional Items* under \$25, may be purchased with auxiliary funds and these items would not be taxable, as they are de minimis to the recipient. Employees receiving over \$50 (excluding tax and shipping) in value will be reported as taxable income.
- **Promotional items to non-employees**
  - For a promotional drawing where a non-employee wins a promotional item, it only needs to be reported to Accounts Payable if the value of the gift is greater than \$600 in a calendar year and we would need to collect tax information from the individual.



# TAX CONSIDERATIONS

- Under Internal Revenue Service regulations, an entertainment (hospitality) expense will be considered taxable income to an employee if:
  - The entertainment (hospitality) activity is not directly related to the employee's job,
  - The expense is lavish or extravagant under the circumstances,
  - The official host or another University employee is not present when the activity takes place,
  - The expense is not substantiated with appropriate supporting documentation,
  - Business meals with faculty, staff, or other colleagues that are frequent (e.g. that occur on a regular or routine basis) and are reciprocal.

The above types of expenses are not allowable under this policy.

# **HOSPITALITY EXPENSES DURING TRAVEL**

- Expenses for meals incurred by employees who will be providing hospitality while on travel status are reimbursable in accordance with these Hospitality Guidelines.

# APPROVALS

Hospitality Approvals	Supporting Documentation
1) Funding Authority or PI or designee (for 85xxx projects only)	<ul style="list-style-type: none"><li>• Agenda</li><li>• Roster</li><li>• Catering quote, if applicable (<a href="#">use approved caterer</a>)</li><li>• Participant Incentive approvals (if applicable)</li><li>• <a href="#">Awards and Prizes</a> - document the award program, including eligible awards and per person limits (if applicable)</li><li>• <a href="#">Blanket Hospitality</a> Justification</li></ul>
2) Corp Funded Projects: Office of Sponsored Projects (for 85xxx projects) or Finance Director (for 81xxx and 86xxx projects)	
3) Level I Approving Authority	
4) If over \$500, Level II Approving Authority	
5) Blanket Hospitality Approval, if applicable	
6) If “Special Circumstances” PAT Member	

- Individuals with delegated approval authority may not approve their own expenses, and individuals may not approve the expenses of their supervisor. For example, **the Hospitality Level I or Level II approving authority may not also be the employee being reimbursed via Direct Pay.**

# Approving Authorities

Unit	Level I Approving Authority	Level II Approving Authority	*Special Circumstances regardless of \$ amount	Blanket Hospitality
Office of the Provost	Vice Provost	Provost	Provost	CSUSM University Controller for State/Foundation Funds or CSUSM Executive Director for CSUSM Corporation Funds
Faculty Affairs	AVP	Provost	Provost	
Academic Senate	Provost	Provost	Provost	
Planning and Academic Resources	Vice Provost	Vice Provost	Provost	
Graduate Studies and Research	Dean	Vice Provost	Provost	
Undergraduate/First Year Programs	Dean	Vice Provost	Provost	
Academic Programs	Dean	Vice Provost	Provost	
Faculty Center	Vice Provost	Vice Provost	Provost	
College of Education, Health, and Human Services	Associate Dean or Dean	Dean	Provost	
College of Humanities, Arts, Behavioral and Social Sciences	Associate Dean or Dean	Dean	Provost	
College of Business Administration	Associate Dean or Dean	Dean	Provost	
College of Science, Technology, Engineering & Mathematics	Associate Dean or Dean	Dean	Provost	
Extended Learning	Associate Dean or Dean	Dean	Provost	
Instructional and Information Technology Services	Associate Dean or Dean	Dean	Provost	
Library	Associate Dean or Dean	Dean	Provost	
All other Divisions	AVP/Director	PAT Member	PAT Member	
CSUSM Corporation 85xxx projects	Not Required	Not Required	Not Required	Not Required

# Roles & Responsibilities

Requestor/Submitter

Certifies expenses 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 allowable per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures and guidelines

Attaches required supporting documentation.

Confirms appropriate approving authorities are in the routing workflow.

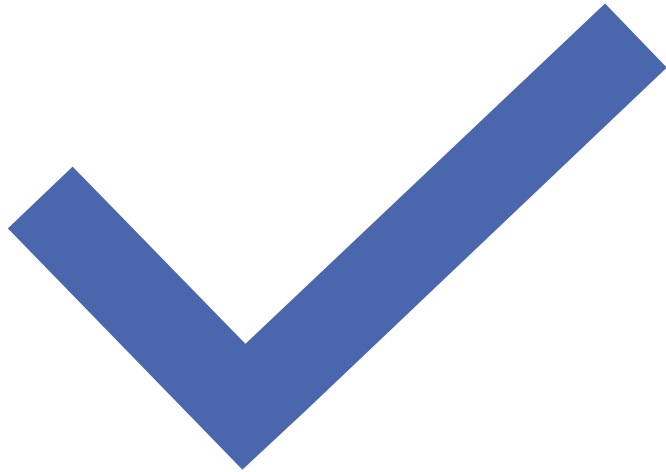
# Roles & Responsibilities

## Approving Authorities

Funding Authority or PI or designee (for 85xxx projects only)	Ensures <b><u>funding is available</u></b> . For 85xxx, ensures business purpose meets objectives of the sponsored project scope
Level I and Level II Approving Authority	<p>Further <b><u>substantiates expenses</u></b> are necessary, appropriate to the occasion, official activities, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University.</p> <p>Confirms the expense is <b><u>allowable</u></b> per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures and guidelines.</p> <p>Confirms appropriate approvers are in the routing.</p>
Corp Funded Projects: Office of Sponsored Projects (for 85xxx projects) or Finance Director (for 81xxx and 86xxx projects)	Confirms funding is available and expense is allowed per the award/program terms and conditions and other applicable regulations.
All involved in the review or approval routing.	<p>Approving/denying the Hospitality form in a timely manner.</p> <p>Denying requests not directly related to official University business.</p>

# Roles & Responsibilities

## Accounts Payable



- Review for compliance with CSU Hospitality Policy and CSUSM Hospitality Guidelines
- Verify appropriate approvers (Per CSUSM Hospitality Guidelines – highest level of responsibility)
- Ensure appropriate supporting documentation is submitted
- Not responsible for substantiating business purpose

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# PAYMENT OR REIMBURSEMENT

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Approved hospitality expenses may be paid via approved [ProCard](#) (encouraged option), purchase order or [Direct Pay](#). Include approved hospitality and supporting documentation with payment request/ProCard reconciliation.

## Required supporting documentation:

- Agenda
- Roster
- Catering quote, if applicable (use approved caterer)
- Participant Incentive approvals (if applicable)
- Awards and Prizes - document the award program, including eligible awards and per person limits (if applicable)
- Blanket Hospitality Justification



# Opportunities for Improvement

Business  
Purpose

Agenda

Attendee  
list

Read the  
Guidelines

# RESOURCES

- California State University Hospitality Policy
- CSUSM Corporation Hospitality Policy
- Direct Pay Form
- Payment to Student Policy
- CSUSM Public Relations Policy
- CSUSM Approved Caterers
- CSUSM Gift Card Procedures
- CSUSM Corporation Gift Card Purchasing Procedures
- IRS Employee Tax Guide to Fringe Benefits [IRS Publication 5137](#), Fringe Benefits guide, section 16, beginning on page 67.

# FAQs

**Question:** Our department needs to hold a meeting which is administrative nature and the meal is a necessary and integral part of the business meeting. Is that allowable?

**Answer:** This activity falls under “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” and is 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.

# FAQs

**Question:** Does “light refreshment” include hors d'oeuvres?

**Answer:** Yes

# FAQs

**Question:** Which category would I use for a Faculty/staff social event with a business purpose, or “Faculty/staff picnics & holiday gatherings with business purpose?”

**Answer:** Recognition Events including employee morale functions (must serve a bona fide business purpose). Events must be modest, infrequent and comply with per person limits and all other applicable guidelines.

# FAQs

**Question:** We have a recruitment interview, where the panel will be required to stay in the room all day. Is providing lunch allowable?

**Answer:** Yes, this activity falls under “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” and is 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.

# FAQs

**Question:** I would like to meet with my colleague over lunch to discuss a business topic, can I be reimbursed?

**Answer:** Reimbursement for meals is not permissible when there is solely a personal benefit. In general, business meetings with individual colleagues are not permitted when the meeting can take place during business hours.

# FAQs

**Question:** Can I use state funds to have a retirement party?

**Answer:** Parties are not allowable with state funds. An employee can be recognized and issued an award for their service – minimum of 5 years. For auxiliary funds, see the Hospitality Matrix.





# Decision Process and Judgement

- Gather the facts surrounding the hospitality activity
- Determine how this contributes to the mission of the University
- Review the allowability of the activity and funding source
- Exercise judgement and think about the question - Is the activity is in the best interest of University and how does it reflect on the University?

Questions for PCBO?

