



HOSPITALITY POLICY

PURPOSE:

This policy governs the manner and extent to which CSUSM Corporation and the CSUSM Foundation (Foundation) may provide hospitality to employees, students, donors, guests, visitors, volunteers, and other individuals as part of a business meeting; recreational, or entertainment event; or other occasion that promotes the mission of CSUSM and CSUSM Corporation/Foundation. Hospitality expenses may be paid to the extent that such expenses are necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of CSUSM Corporation/Foundation.

SCOPE:

This policy governs the appropriate use of CSUSM Corporation/Foundation funds unless legally otherwise restricted by law, regulations or funding source agreements. Grants and Contracts are to comply with the restrictions imposed by the funding agency. Charitable contributions are to comply with the gift agreement and other source documents.

ALLOWABLE EXPENDITURES AND OCCASIONS:

Hospitality expenses must be directly related to, or associated with, the active conduct of official CSUSM, CSU and CSUSM Corporation/Foundation business. When an employee acts as an Official Host, the occasion must, in the best judgment of the Approving Authority, serve a clear CSUSM Corporation/Foundation business purpose, with no personal benefit derived by the Official Host or other employees. In addition, the expenditure of funds for hospitality should be cost effective. Expenditures must be in accordance with IRS guidelines, state regulations, and CSU policies. No employee business meal or entertainment expenditure that is considered taxable income under IRS regulations will be reimbursed or paid. An employer's reimbursement of an employee business meal or entertainment expense may be considered taxable income to an employee if:

- activity is not directly related to the employee's job
- expense is lavish or extravagant under the circumstances
- expense is not substantiated with supporting documentation

I. Employee Meeting and Recognition Events

Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently, are reasonably priced, and appropriate to the business purpose. Meals or light refreshments should be limited to no more than twelve times per year, per group. Meals or light refreshments provided to employees on a frequent or routine basis are considered taxable income by the IRS and are therefore not permitted under this policy.

II. Maximum Per-Person Rates for Meals and Light Refreshments

CSUSM Corporation/Foundation sets a maximum per person rate for breakfast, lunch and dinner, inclusive of the total cost of food, beverages, labor, sales tax, delivery fees or

HOSPITALITY POLICY

other service fees.

When a hospitality expense exceeds the per-person maximum provided in the chart below, the hospitality is considered an exception and requires a written justification for the overage and approval by the Executive Director or Designee.

Meals or light refreshments provided in the course of a business meeting must be modest and reasonably priced. When a meeting takes place over an extended period of time and the agenda includes a working meal, there may be justification that the meal is integral to the business function, examples include the following:

- Meeting where there is a scheduled speaker during the meal period
- Meeting where the participants work through the meal period
- Circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location

Meals or light refreshments should be limited to no more than twelve times per year, per group.

<u>Maximum Per-Person Rates for Hospitality Meals and Light Refreshments</u>	
Meal type	*Maximum Per-Person
Breakfast	\$ 25.00
Lunch	\$ 50.00
Dinner	\$ 75.00
Light refreshments	\$ 60.00
* The maximum per-person calculation is created by dividing the total amount charged for food, beverage, tax, gratuity and service charge by the total number of actual attendees	

PROHIBITED EXPENDITURES:

I. Personal Benefit

Hospitality expenses that are of a personal nature and not related to the active conduct of official CSU, CSUSM or CSUSM Corporation/Foundation business will not be paid or reimbursed. Examples include, but are not limited to, employee birthdays, weddings, anniversaries, and baby showers. The following “personal benefit” expenditures are permissible: memorial services, celebrations of retirement, and farewell gatherings for employees separating with at least 5 years of service.

II. Discrimination

Hospitality expenses will not be paid or reimbursed for membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability.

HOSPITALITY POLICY

FUNDING SOURCES:

I. Trust and Agency Funds Held for Third Parties

Trust or agency funds held by CSUSM Corporation in a purely custodial capacity (assets equal liabilities) on behalf of third parties are subject to applicable laws and the written agreements.

II. Grants and Contracts

Federal or local government contract and grant funds may only be used to pay hospitality expenses specifically authorized in the contract or grant, or by agency policy. In the event of a conflict between agency and CSUSM Corporation policy, the stricter of the two policies shall apply. Federal Funds may not be used to purchase alcoholic beverages.

III. Other Funds

Funds held by the CSUSM Foundation in a custodial capacity for third parties are subject to applicable laws and the written agreements. In the event of a conflict between agency and the CSUSM Corporation policy, the stricter of the two policies shall apply.

EXEMPTIONS:

- I. Officially Recognized Events Hosted by the President or University Advancement
CSUSM Corporation/Foundation events hosted by the Offices of the President or University Advancement including; but, not limited to galas, convocations, advisory meetings, board meetings, forums, town halls, Presidential addresses, business meals and fund raising meals have a permanent exemption from the maximum per person rates in these procedures.

APPROVAL OF TRANSACTIONS:

Approving Authority – a person to whom authority has been delegated in writing to approve expenses for meals, light refreshments, and other amenities described within the policy. The Approving Authority cannot approve transactions reimbursing themselves, expenses of a person to whom they report, or of a spouse or family member. The exception is the approval of the Executive Director's reimbursements, which must be approved by their supervisor.

When appropriate and necessary, the Executive Director may make a limited exception to the hospitality policy. The purpose of the exception must be documented and signed by the Executive Director.

REFERENCES:

[Hospitality Checklist Required](#)

[ICSUAM 1301.00 Hospitality](#)

[Designation and use of Public Relations Funds](#)