

CSUSM

Hospitality Guidelines

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1. SCOPE

In accordance with [ICSUAM 1301.00 – Hospitality](#), California State University San Marcos (CSUSM) and its auxiliaries (Auxiliaries), unless otherwise noted and together referred to as University, govern that 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 the University. This policy applies to employees, students, donors, guests, visitors, volunteers, and other individuals as part of a business meeting; recreational, sporting or entertainment event; or other occasion that promotes the mission of the University and serves a bona fide business purpose. The policy also addresses meals served to employees and meals provided to prospective students and employees.

Hospitality expenses may be paid to the extent that such expenses are reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University.

Hospitality expenses must be directly related to, or associated with, the active conduct of Official University business. These guidelines govern the appropriate use of CSUSM Operating Fund (485xx), state trust funds, university campus program funds, enterprise funds and CSUSM Auxiliary funds, unless legally exempted or otherwise restricted (e.g. documented trust agreements, and/or grant agreements), for the payment of hospitality related expenses. When a University employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear University business purpose, with no personal benefit derived by the official host or other University employees. In addition, the expenditure of funds for entertainment should be cost-effective and in accordance with the best use of public funds, donor intent, as well as federal, state and other grant guidelines.

2. DEFINITIONS

Approving Authority

A person to whom authority has been delegated in writing to approve hospitality expenses described within this policy. See section 12 for more information on approval of transactions.

Auxiliary or Auxiliaries

The recognized auxiliary organizations at CSUSM include CSUSM Corporation, The Foundation, and Associated Students Inc.

Auxiliary Funds

Funds maintained by each Auxiliary for its authorized business purposes and those funds managed by the Auxiliary for others.

Awards/Prizes and Service Recognition

Something of value given or bestowed upon an individual, group or entity in recognition of service to the University or achievement benefiting the University, e.g. financial prizes, trophies, plaques. See [Awards and Prizes](#) section.

Employee Meetings and Recognition Events

Meetings which serve a bona fide University business purpose and are generally administrative in nature such as CSU system-wide meetings of functional offices, meetings of the Academic Senate, Board of Directors, campus meetings of deans and directors, official employee morale functions, extended formal training sessions, conferences, extended strategic planning sessions, and meetings of appointed workgroups and committees. Public expenditures that are driven by personal motives are an impermissible use of public funds. Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently, are reasonable and appropriate to the business purpose. When a meeting takes place over an extended period and the agenda includes a working meal, there may be justification that the meal is integral to the business function. The meeting must be in person.

Entertainment Services

Expenditures incurred in connection with events or activities that are primarily social or recreational such as equipment and venue rental, décor, music, and performers. Service expenditures related to showcasing the talent of students or employees are considered a regular business expense and are not governed by this policy. For example, presenting a poster at SuperSTEM.

Fundraising Event

Events conducted for the sole or primary purpose of raising charitable funds where participants make a charitable contribution and a purchase for the fair market value of goods or services. Fundraising events may include dinners, dances, door-to-door sales of merchandise, concerts, carnivals, golf tournaments, auctions, casino nights, and similar events. Fundraising events do NOT include the following: Activities substantially related to the accomplishment of the mission of the University, including such activities that receive sponsorship-Unrelated trade or business activities that generate fees for service.

Hospitality

Activities such as employee meetings, entertainment services, service recognition, and fundraising events intended to promote the mission of the University to the public with the expectation of benefits accruing directly or indirectly to the University. Hospitality expenses include but are not limited to such things as the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries and cookies), promotional items, gifts, and awards. [See list of approved caterers here.](#)

Membership in Social Organizations

University clubs, athletic clubs, civic organizations and other membership organizations that provide a venue for hosting hospitality events or a means for promoting goodwill in the community. Memberships in business leagues, chambers of commerce, trade associations and professional organizations are considered a regular business expense and are not governed by this policy.

Official Activities

Official (employee morale or team-building) Activity: **The campus relies on the judgment of administrators in this area as they are most capable of assessing the benefit to the University of such expenditures.** Positive employee morale is a valuable resource. Accordingly, within the constraints imposed by system policy, particularly ICSUAM 1301.00, this policy allows for expenditures supportive of employee morale (other than those previously identified as prohibited), length of service awards for employees separating with at least 5 years of service. Official campus functions, such as division meetings, campus service awards, and the President's picnic are included as they promote employee morale. 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.

Official Host

A University or Auxiliary employee who hosts guests at a meeting, conference, reception, activity, or event for the active conduct of University business.

Official Guest

A person invited by an Official Host to attend a University meeting, conference, reception, activity or event. Examples of official guests include employees visiting from another work location, students, donors, recruitment candidates, volunteers, members of the community, or media representatives.

Participation Incentives

Incentives, in the form of promotional items and gift cards, are used to obtain participation and/or collection information from participants. See [Participation Incentives](#) section.

Promotional Items

Tangible items that display the name, logo or other icon identifying the University such as a keychain, coffee mug, calendar, or clothing. The value of promotional items should not exceed \$25 per person per event. See [Promotional Items](#) section.

Professional Organization Meeting

Meetings held for a learned society or professional organization and meetings of other CSU related groups. It does not include meetings of only University or Auxiliary employees.

Sponsorship

Contribution to an event in return for promotion or advertising of the University. This includes the cost of a vendor table to promote the University.

Work Location

The place where the major portion of an employee’s working time is spent or the place to which the employee returns during working hours upon completion of special assignments.

3. ALLOWABLE EXPENDITURES AND FUNDING SOURCES

| General Expense Type Category Expenditures/Occasions | Funding Source | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------|
| | All University CSU Trust/Operating Funds (excluding 496) | Auxiliary Funds must comply with Auxiliary procedures (85xxx per written agreement) | 496 Misc. Trust Funds |
| Alcoholic Beverages, including tax, gratuity and service charges. | No | Yes ³ | Per Written Agreement ⁵ |
| 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 ¹ | Yes ¹ | Per Written Agreement ⁵ |
| Meals and Light Refreshments (non-alcoholic) Employee Meetings attended ONLY by employees of the same work location. It must serve a bona fide business purpose, for example, a working lunch. | Yes ^{1, 6} | Yes ¹ | Per Written Agreement ⁵ |
| Awards/Prizes and Service Recognition , (e.g. - minimum 5 years of service, or awards presented during an official activity) | Yes ² | Yes | Per Written Agreement ⁵ |
| Bereavement Expenditures for employees or former employees (e.g. flowers, plant, or card) | No | Yes | Per Written Agreement ⁵ |
| Gifts for Personal Benefit (e.g., weddings, anniversaries, baby showers, get well, birthdays, and graduation gifts). | No | No | No |
| Entertainment Services (e.g., equipment and venue rental, décor, music & performers for social events) that serve a bona fide business purpose | Yes | Yes | Per Written Agreement ⁵ |

| 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 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------|
| Official Employee Morale and Recognition Events ⁶ | Yes | Yes | Per Written Agreement ⁵ |
| Gifts with expectation of benefit or other bona fide business purpose (i.e. Donor Gifts) | No | Yes ² | Per Written Agreement ⁵ |
| Professional Organization Meeting | Yes | Yes | Per Written Agreement ⁵ |
| Participation Incentives - research funded survey or study/ student participation in events | Yes ² | Yes ² | Per Written Agreement ⁵ |
| Participation Incentives – other | No | Yes ² | Per Written Agreement ⁵ |
| Promotional Items (when the occasion is appropriate) ⁶ | Yes | Yes | Per Written Agreement ⁵ |
| Memberships in Social Organizations e.g., University clubs, civic organizations. | No | Yes | Per Written Agreement ⁵ |
| Community Relations/Fundraising | Yes ⁴ | Yes ⁴ | Per Written Agreement ⁵ |
| 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 ⁵ |
| Spouse or Domestic Partner hospitality expense with bona fide business purpose. ⁶ | Yes | Yes | Per Written Agreement ⁵ |
| Student recruitment, student recognition events (subject to related policies/procedures e.g. Gift Card Purchasing Procedures and Student Payment Policy). | Yes | Yes | Per Written Agreement ⁵ |
| Student Athletes - Hospitality provided to student athletes and recruits must be in accordance with the rules, regulations, guidelines, standards and procedures of the intercollegiate athletic association's national governing board, e.g. National Collegiate Athletic Association. | Yes | Yes | Per Written Agreement ⁵ |

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. The per-person limit may be exceeded with a submitter certification the expense is for development purposes, stating the business purpose is "Gifts with the expectation of benefit" (aka donor-related events) and acknowledge the per person limit overage, so the approver will also acknowledge it when approving.

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 minimis and infrequent. Refer to IRS for tax rules in resources and materials section.

3) Alcohol purchases for on campus events must follow the CSUSM Alcohol Use Policy. An Alcohol Approval Form must be submitted in addition to the Hospitality Form. Alcohol purchases for off-campus events and gifts, must follow the special circumstances guidelines below.

4) Payment or reimbursement for attendance at a community relations activity or fundraising event include documentation of the individual names, affiliations, and direct or indirect benefit to the CSU to be derived from the expense. If the activity includes alcohol, the portion related to alcohol may not be paid with a stateside fund.

5) Expense must be consistent with the original intent of the funding source (revenue) as documented in the trust.

6) For public relations considerations, consider using Auxiliary funding sources for employee items/events.

| Account Codes: | |
|----------------------------------|--------------------------------------------|
| 660927 – Other Catering | 660944 – Other Awards/Honors |
| 660928 – Other Non-Catering Food | 660846 – SupSrv Gifts and Acknowledgements |
| 660962 – Promo Items | 660945 – Other Incentives |
| Various – Hospitality | |

4. UNALLOWABLE EXPENDITURES

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.

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.

5. BLANKET HOSPITALITY FORMS

Blanket hospitality forms may be issued on a case-by-case basis and must be pre-approved by the CSUSM Controller for State and Foundation funds and the CSUSM Corporation Executive Director for Corporation funds.

Blanket hospitality forms are meant for hospitality transactions where little or no value can be added by processing the transaction for each event. The following procedures shall be observed in administering blanket hospitality forms:

- The blanket hospitality must be specific to set of recurring events, rather than a general department/annual approval

- Blanket approvals may be approved for the Emergency Operations Center activities. EOC blankets may only be requested by those with delegated authority.
- All required supporting documentation must be submitted with the payment method, including a copy of the blanket hospitality form for each expense.
- Blanket approval may not exceed one year and should not cross fiscal years.

6. FOOD AND BEVERAGE PER PERSON LIMITS

Meals or light refreshments provided to employees or in the course of a business meeting may be permitted if the meal is integral to the business function, infrequent and modest. The cost of meals is expected to meet the average per person limits and is limited to no more than twelve times per year, per group. The per-person limit may be exceeded with a submitter certification the expense is for development purposes, stating the business purpose is "Gifts with the expectation of benefit" (aka donor-related events) and acknowledge the per person limit overage, so the approver will also acknowledge it when approving.

| Hospitality | Sub-category | Maximum Per Person per day ^{1,2} |
|------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------|
| Food and Beverage <small>(includes catering, labor, sales tax, delivery fees, and other service fees)</small> | Breakfast | \$25 |
| | Lunch | \$50 |
| | Dinner | \$75 |
| | Light Refreshments ³ | \$60 |

¹ Per person limits include the catering service charge and taxes. The reimbursement for a buffet reception cannot exceed the applicable meal allowance associated with the type of buffet (e.g., breakfast, lunch, or dinner).

² Maximum per person limits are specific for stateside expenditures. Refer to the CSUSM Corporation Hospitality policy for amounts and exceptions.

³Light refreshments include coffee and other beverages, snacks, hors d'oeuvres, pastries, cookies, crackers, chips, fruit, etc.

7. AWARDS AND PRIZES

Student Awards must be given as part of a documented campus award program. Awards and prizes to students must be in accordance with the [Payment to Student Policy](#). Stateside funds may be used to pay for awards and prizes to students for excellence and to participate in a research funded survey or study. If the award is restricted to use towards educational expenses, it is the responsibility of the department conferring the award or prize to notify Financial Aid Office of cash and cash-equivalent awards provided to students, including the student identification number of award recipients. For student awards that will not be considered Financial Aid, it will be processed as a direct pay. A non-cash award or prize may have a taxable consequence to the student if it does not meet the IRS definition of de minimis and infrequent. Refer to IRS for tax rules in resources and materials section. The award program must be published on the University's website.

Examples of student awards include the six Dean's Awards are as follows: College of Education, Health & Human Services; College of Arts, Behavioral and Social Sciences; College of Business Administration; College of Science, Technology, Engineering & Mathematics; Graduate Studies; and the Student Leadership Award selected by the Dean of Students as well as the President's Outstanding Graduate Award.

Payments to students that do not qualify as an award include payments that are solely for personal benefit and there is no expected benefit to the University. Examples includes reimbursement or any payment of testing fees or payment for classes not offered by CSU San Marcos.

Employees Awards must be given as part of a documented campus award program. Stateside funds may be used to pay for awards and prizes for exceptional contributions and to participate in a research funded survey or

study. Awards for these programs must be presented to employees on a basis that does not discriminate in favor of highly compensated employees. Employee awards are meant to be occasional and therefore must be presented to an employee on an infrequent basis. The amount of the award should be defined in each award program. The award program must be published on the University's website.

An award program may be established to the extent that such expenses serve a purpose consistent with the mission and fiduciary responsibilities of the CSU and aligns with IRS regulations. Cash and cash equivalent items, such as gift cards and gift certificates, 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 minimis and infrequent. Refer to IRS for tax rules in resources and materials section.

The hospitality form/supporting documentation shall document the award program, including eligible awards and per person limits.

Examples of established employee award programs are those listed on the Office of the President award website and include The Brakebill Award, Ernest & Leslie Zomalt Service Award, Employee of the Year Award, Inclusive Excellence and Diversity Award, Outstanding Faculty Awards. Divisions may also establish individual programs as approved by the Provost or Division Vice President such as the Kerri Mowen Excellence in Faculty Mentoring Award.

Prior to completing a Hospitality Form and announcing awards, confirm with Payroll Services that the award program is allowable. Request approval from Payroll Services by emailing a link to the award program website that includes a description of the program and award amount. Payroll will then confirm the allowability of the award with the Chancellor's Office.

Once payroll has confirmed with the Chancellor's office with the department, please contact Human Resources or Faculty Affairs to assist with the payment process.

Note: If approved funding source does not reside in the business unit disbursing the award, an Inter-Unit Billing Form may be completed to reimburse the entity providing the award to the employee. This form may be found on the [Fiscal Services webpage](#).

8. PARTICIPATION INCENTIVES

Incentives, in the form of promotional items and gift cards, are used to obtain participation and/or collection information from participants. **These incentives are subject to Internal Revenue tax laws** and there are specific rules that must be followed in order for the CSU to remain in compliance. Promotional items and gift cards are for the sole purpose of participant payments and cannot be used to pay trade suppliers for goods and/or services received and/or rendered or pay any type of wages for services rendered.

Participation incentives may be issued under the following procedures:

- Participation incentives should not be less than \$10 and not exceed a value of \$50 (for grants, please see below)
- Use of promotional items such as a keychain, coffee mug, calendar, or clothing as a participant incentive is encouraged.
- Alternatively, gift cards or certificates redeemable for a specific item of property or merchandise, may be used. Refer to Gift Card Purchasing Procedures.
- Participation incentives paid to non-resident aliens should be paid via check as they will need to be evaluated for tax purposes.

Participant incentive payments awarded to students (participating in non-grant related research), that are greater than \$100, will be reported to Financial Aid per Title 5, California Code of Regulations, and Section 42500 (d). Refer to the Payments to Students Guidelines. Additionally, any 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 on Form 1099.

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](#)

Email sponsoredprojects@csusm.edu for questions about CSUSM Corporation Sponsored Projects grant research incentives.

9. GIFTS CARDS

The use of gift cards must comply with the mission of the university and adhere to all university policies and procedures. The use of gift cards/cash equivalents should only be considered when no other option is viable, should be infrequent, and conservative in value. Only one gift card can be awarded to a recipient per event/activity. As cash-equivalent instruments, gift cards are governed by tax rules and internal control requirements. These rules and requirements must be followed and communicated to those involved before purchase or distribution of any gift cards.

Requesters will be required to complete a hospitality form and the gift card request form for all gift card purchases. The approved hospitality form must be attached to the gift card request form. For gift cards for CSUSM Corporation Research Participation Incentives with an approved Institutional Review Board (IRB) protocol, a hospitality form is not required, please refer to the [CSUSM Corporation Gift Card Purchasing Procedures](#) for more information.

Refer to the following [CSUSM Gift Card Purchasing Procedures](#) for additional guidance.

Gift certificates under \$10 should not be purchased because under California law, gift cards or certificates with a face value of less than \$10 must be redeemable in cash (Section 1749.5 of the Civil Code).

10. PROMOTIONAL ITEMS

Promotional items to non-employees

Reasonable gifts made on behalf of the University to non-employees and outside organizations are allowed when the gift benefits the University, supports a University business purpose and fulfills the mission of the University.

The business reason for issuing the promotional item must be documented in writing. In most cases, the promotion of goodwill in the University community is not an acceptable business purpose. The cost of such gifts must be reasonable in relation to the actual or expected benefits. Example of individuals and organizations that may be presented an award or gift on behalf of CSUSM include: a visiting dignitary or scholar, a donor or potential donor, a civic or cultural organization or a member of the local community. Awards and gifts cannot be used to pay suppliers for goods and/or services received/rendered.

There are no reporting requirements for promotional items to non-employees, however, the cumulative amount of gifts/promotional items may not exceed \$600 in a calendar year.

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 and we would need to collect tax information from the individual.

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 minimis⁶ to the recipient. Employees receiving over \$50 (excluding tax and shipping) in value will be reported as taxable income and therefore not compliant with this policy.

⁶ In determining whether a benefit is de minimis, you should always consider its frequency and value. An essential element of a de minimis benefit is that it is occasional or infrequent. It also must not be a form of disguised compensation

11. HOSPITALITY EXPENSES DURING TRAVEL

Hospitality activity and expenses while on travel status must be in accordance with hospitality policy and guidelines. Reimbursement is made through the Travel Reimbursement process and categorized as hospitality.

12. APPROVALS AND SUPPORTING DOCUMENTATION

When determining whether a hospitality expense is appropriate, the approving authority must: evaluate the importance of the event in terms of the costs that will be incurred, the benefits to be derived from such an expense, the availability of funds, and any alternatives that would be equally effective in accomplishing the desired objectives.

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.**

The exception is the approval of the Chancellor or President's expenditures by the Chief Financial Officer.

| Hospitality Approvals | Supporting Documentation |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 1) Funding Authority or PI or designee (for 85xxx projects only) | • Agenda |
| 2) Level I Approving Authority | • Roster |
| 3) If over \$500, Level II Approving Authority | • Catering quote, if applicable (use approved caterer) |
| 4) Corp Funded Projects: Office of Sponsored Projects (for 85xxx projects) or Finance Director (for 81xxx and 86xxx projects) | • Participant Incentive approvals (if applicable) |
| 5) Blanket Hospitality Approval, if applicable | • Awards and Prizes - document the award program, including eligible awards and per person limits (if applicable) |
| 6) If "Special Circumstances" PAT Member ¹ | • Blanket Hospitality Justification |

***If the approver meets two or more of the approver lines, put their name in the most stringent field**

¹ The President's Administrative Team (PAT) is comprised of the senior management team of the university as listed below.

- Provost & Vice President for Academic Affairs
- Vice President for University Advancement
- Vice President, Finance & Administrative Services and Chief Financial Officer
- Vice President for Student Affairs
- Chief of Staff
- Chief Community Engagement Officer
- Chief Communications Officer
- Chief Diversity Officer

Hospitality Matrix for Approvals

| Unit | Level I Approving Authority | Level II Approving Authority | *Special Circumstances regardless of \$ amount | Blanket Hospitality |
|-------------------------------------------------------------|-----------------------------|------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Office of the Provost | 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 | |
| Unit | Level I Approving Authority | Level II Approving Authority | *Special Circumstances regardless of \$ amount | Blanket Hospitality |
| 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 | |

*Special Circumstances:

- Recreational and sporting events
- Alcohol, regardless of the total expense
- a spouse or domestic partner of an employee

13. ROLES AND RESPONSIBILITIES

| Role | | Responsibility |
|---------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Requestor/Submitter | | <p>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.</p> <p>Confirms the expense is allowable per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures and guidelines.</p> <p>Attaches required supporting documentation.</p> <p>Confirms appropriate approving authorities are in the routing workflow.</p> |
| Approving Authority | Funding Authority or PI or designee (for 85xxx projects only) | Ensures funding is available. For 85xxx, ensures business purpose meets objectives of the sponsored project scope |
| | Level I and Level II Approving Authority | <p>Further substantiates expenses 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 allowable 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. | Approves/denies the Hospitality form in a timely manner. Denies requests not directly related to official University business. |
| Role | | Responsibility |
| Accounts Payable | | Reviews for compliance with CSU Hospitality Policy and CSUSM Hospitality Guidelines. |
| | | Verifies appropriate approvers and fiscal authority (Per CSUSM Hospitality Guidelines – verifies highest level of responsibility). |
| | | Ensures appropriate documentation is submitted. |
| | | Ensures the Blanket Hospitality form submitted is an appropriate use of a blanket form. |
| Travel Office | | Reconciles expenses with travel claim. |

14. PAYMENT OR REIMBURSEMENT

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:

- Approved [Hospitality Form](#), and applicable [supporting documentation](#)
- Itemized Receipts

15. 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.

Appendix A: FAQ

FAQ's

1. 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 ONLY by employees of the same work location where the participants are required to work through the meal period (campus)" 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.

2. Does "light refreshment" include hors d'oeuvres?

Answer: Yes.

3. 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).

4. 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 ONLY by employees of the same work location where the participants are required to work through the meal period (campus)" 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.

5. Can I send gift or flowers?

Answer: To employees, no. For non-employees, and for state funds, typically, no. Gifts or flowers are not permissible when there is solely a personal benefit. There may be justification if the intended business purpose complies with campus, CSU, IRS and Government Code restrictions. Gifts or flowers may be permissible with auxiliary funds. See General Expense Matrix.

6. 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.

7. Can I provide lunch for an all-day meeting?

Answer: Meals and light refreshments for business meetings and events attended only by employees of the same work location is permissible *if* the participants are required to work through the meal period. Meals and light refreshments for business meetings attended by official guests can be permissible.

8. 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.

9. For employee morale purposes, I would like to use state funds to provide a departmental welcome breakfast each time we bring a new employee. Is this permitted?

Answer: Public expenditures that are driven solely by personal motives are not permissible with state funds.

10. I would like to purchase coffee and water for my department to consume. Is that allowable with state funds?

Answer: Refreshments solely for personal use is not permitted with state funds. This may be allowable for areas who host suppliers, donors, etc., on a regular basis. For auxiliary funds, see the Hospitality Matrix.

11. What examples would NOT be permissible with state funds?

Answer:

- a. Gift cards, flowers, non-cash gift as a thank you to consultants, guest speakers, etc.
- b. Gifts for employee birthdays, weddings, baby showers, etc.
- c. Farewell gatherings and retirement parties
- d. Bereavement or sympathy gifts

For auxiliary funds, see the Hospitality Matrix.

12. Events and Conference Services is managing my event. Who completes the hospitality forms?

Answer: The hospitality form is the responsibility of each department. Each department is responsible for providing what budget accounts they will be using for food and are accountable for all applicable guidelines pertaining to their budget or special project.

Appendix B: HOSPITALITY EXAMPLES

Following are examples of situations that meet the guideline requirements:

1. **Donor Cultivation and Appreciation** – When the University hosts an event for the purpose of generating the goodwill of alumni, donors and prospective donors, the cost of meals or light refreshments may be reimbursed.
2. **Meetings of an Administrative Nature** - When meetings of an administrative nature that are directly concerned with the welfare of the University are held, the cost of meals or light refreshments may be reimbursed. These may include CSU systemwide meetings of functional offices, Board of Director's meetings, meetings of the Academic Senate, extended formal training sessions, conferences, and/or meetings of appointed workgroups and committees. Strategic Planning events must have an agenda, purpose and deliverables.
 - a. No reimbursement will be allowed when two or more employees from the same work location choose to go to lunch together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during normal working hours.
 - b. On rare occasions, meals may be provided to certain employees during work hours as a non-taxable benefit. For example, a meal may be provided when an employee is required to stay on-premises during his or her entire work shift either because the person is required to work during that period or is on-call.
3. **State-Supported Events** - The cost of light refreshments may be reimbursed for state-supported events only when the meal is "essential" to the business objective, as defined above (section 2- b). Examples may include, receptions held in connection with conferences, the launch of a campus initiative, systemwide training and fundraising events.
4. **Employee Recognition** - includes length of service awards presentations - When an individual has achieved a superior accomplishment (a team implemented a new program, a director led an initiative to great success, or 5-, 10-, 15-year Service Awards), the cost of light refreshments may be reimbursed.
5. **Employee Morale** – University may pay for or reimburse costs associated with official employee morale-building and appreciation activities that serve a business purpose. Under no circumstances may University funds be used for occasions such as employee birthdays, weddings, anniversaries, holiday gifts, or other occasions of a personal nature. Examples include the President's Picnic and Division Functions.
6. **Awards:** Examples of established award programs are CSUSM Employee of the Month, Brakebill, Ernest & Leslie Zomalt Service Award, Kerri Mowen, etc.

Examples of Unallowable Awards and Gifts

- Gift cards/Cash equivalents for services
- Recreation memberships
- Season tickets to sporting or cultural events
- Gifts provided to employees in connection with birthdays, weddings, anniversaries, holidays, farewells, graduations and other occasions of a personal nature.
- To pay for food and beverages or entertainment services that do not serve a bona fide business purpose

Examples of expenditures that are not considered Hospitality and do not require a Hospitality Form:

Integral Grant Expenditures - Expenditures for food and related items integral to a grant, e.g. a training grant that includes lunch for students or a "food bank" type of operation, are not hospitality expenditures.

Supplies - Expenditures for items such as water, paper products, etc. for outside visitors are exempt from this policy. These items are considered supply-related expenditures.

Research Incentives for Sponsored Projects

For gift cards for CSUSM Corporation Research Participation Incentives, a hospitality form is not required, please refer to the [CSUSM Corporation Research Incentive Payments Policy](#) and the [CSUSM Corporation Gift Card Purchasing Procedures](#) for more information.