

## I. Hospitality Policy

It is the policy of California State University, Fullerton (CSUF) that hospitality expenses may be paid to the extent that such expenditures are necessary, appropriate to the occasion, reasonable in amount, and serve a purpose consistent with the mission and fiduciary responsibilities of CSUF. This policy applies to activities promoting the university to the public and providing hospitality in connection with official CSUF business and specifies the state and auxiliary funds that may be used for such purposes.

CSUF is committed to promoting an inclusive, transformational, just, and equitable educational experience for all members of the Titan community. Social justice financial service policy requires that we encourage and promote hospitality activities and events for individuals to have the opportunity to access and participate in events that affect their learning experience with a primary focus and centering of our efforts to support the well-being of CSUF staff, students, guests and other members of the Titan family that experience marginalization, systemic racism, or any form of discrimination.

## II. Procedure

### A. Purpose

This policy governs the manner and extent to which CSUF and its auxiliaries may provide hospitality 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. This policy also addresses meals served to employees as part of a morale-building function and meals provided to prospective students, employees, donors, and official guests.

Each of the university's entities is responsible for ensuring compliance with these requirements.

### B. Scope

This policy governs the appropriate use of the following funds unless legally exempted or otherwise restricted (e.g., documented fund agreements):

- 1) State
- 2) Auxiliary Organization (AO)

CSUF will comply with additional restrictions when established by funding sources.

### C. Roles and Responsibilities

1. Requesting Department
  - a. To obtain approval for any hospitality expenses prior to incurring costs
  - b. Seek exceptions approvals as appropriate
  - c. Forward any requests related to payments, like prizes and awards for students, to Financial Aid for review
2. Accounts Payable
  - a. Review the Hospitality Justification form when submitted with a check request to make any payments or reimbursements
  - b. Answer questions related to the Hospitality policy that remain unclear
3. Contracts & Procurement
  - a. Identify preferred vendors for catering and any other services related to hospitality

- b. When paying for hospitality expenses using a P-card, or other cards issues by e-business, C&P's e-business team will audit the reconciliation reports to ensure compliance.
    - c. Identify preferred vendors
  4. Financial Aid
    - a. To review any payments made to students, including for prizes and awards and assess any impacts on the students financial aid if any.
  5. Tax Office
    - a. Responsible for reviewing any tax implications, including sales and use tax, and receiving gift & award forms.
    - b. When appropriate, fill out and forward appropriate forms to Payroll to report additional income for employees
  6. Accounting
    - a. Provide any assistance with identifying correct chartfield string when needed

## D. Authority

Authority for this policy is under California Education Code § 89044. This policy is issued under the Delegation of Authority from the Chancellor to the Executive Vice Chancellor and Chief Financial Officer. Implementation and compliance with the CSUF hospitality policy are further delegated to the CSUF Chief Financial Officer (CFO). California Education Code § 66600, 89030, and 89035.

The CSUF CFO has the authority to delegate the approval of hospitality expenditures to the Vice President (Division Head) in the areas of responsibility identified below. A Division Head may assign additional designees (Approving Authorities) by submitting the Finance DOA Access Request Form through the Adobe Experience Manager (AEM) Form system. No further sub-delegations can be made, and delegations cannot be made below the division head level for exceptions.

- 1) Office of the President
- 2) Academic Affairs
- 3) Administration and Finance
- 4) Human Resources, Diversity and Inclusion
- 5) Information Technology
- 6) Student Affairs
- 7) University Advancement

## E. Definitions

For this policy, the following definitions apply:

**Approving Authority:** A person to whom Authority has been delegated in writing by a Division Head to approve expenses for meals, light refreshments, and other amenities described within the policy.

**Auxiliary Organization Funds:** Monies in auxiliary accounts. CSUF auxiliaries are separate legal entities authorized in the Education Code to provide essential services to students and employees. Auxiliaries operate in association with campuses pursuant to special written agreements and are authorized to perform specific functions that contribute to the educational mission of the campus. These organizations are subject to applicable state and federal laws and regulations.

**De Minimis:** Small in value relative to the value of total compensation. The IRS has ruled previously in a particular case that items with a value exceeding \$100 could not be considered de minimis, even under unusual circumstances.

**Hospitality:** Defined to include the following elements:

- Entertainment Services - Reasonable expenses as part of a public purpose event, including but not limited to equipment and venue rental, decor, music, and performers.
- Recreational, Sporting, and Entertainment Events/Activities - Pertain to university and non-university events/activities for which a fee is required for entrance or participation.
- Food and Beverage - Reasonable provision of a meal (voucher, catered, or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, and cookies).
- Spouses, Domestic Partners, and Significant Others - Expenses for event attendance of a high-level official's spouse, domestic partner, or significant other that service a legitimate CSUF business purpose and has a substantial role in the proceedings.
- Students and Prospective Students - Expenses to host students and prospective students at fundraising and other community relations events that enhance learning experiences in recognition of student achievement, to engage with alumni and donors, as representatives of elected student leadership, and as recruitment.
- Awards/Prizes and Service Recognition - Something of value (including cash and cash equivalent items such as gift cards and gift certificates) given or bestowed upon an individual, group, or entity in recognition of service to the university or achievement benefiting the university or with the expectation of benefit accruing to the university or for other occasions that serve a bona fide business purpose.
- Morale and Team-Building - Reasonable expenses to promote employee morale-building or appreciation activities such as staff thank-you breakfasts/lunches or staff development retreats that serve an official business purpose.
- Gifts - Items of value given or bestowed upon an individual, group, or entity with the expectation of a benefit accruing to the university, including donor and volunteer recognition. Gifts may include get well or memorial floral or other arrangements made on behalf of the university in the event of a severe illness, injury, or death of a university employee; an individual external to the university who had a close educational, community, business, or philanthropic relationship with the university; a student; or death of a member of an employee's immediate family.
- Fundraising – When university resources are used to secure gifts and other contributions for the university.
- Promotional Items - Items that display the name, logo, or other icon identifying the university, such as a keychain, coffee mug, calendar, or clothing.

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

**Official Host:** A CSU trustee, auxiliary governing board member, or university or auxiliary employee who hosts guests at a meeting, conference, reception, activity, or event for the active conduct of CSUF business.

**Official Guest:** A person invited by an official host to attend a CSUF 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.

**Public Purpose (or Business Purpose):** includes expenses that serve a purpose consistent with the mission and fiduciary responsibilities of the CSUF.

**Private-Purpose Trust and Custodial Funds:** As defined by Delegation of Fiscal Authority and Responsibility.

**Retreat-** An event lasting at least 5 hours, occurring on or off campus, where employees brainstorm, problem-solve, and team build in a different setting.

**State Funds:** Monies that are either appropriated by the legislature as part of the budget process or continuously appropriated (e.g., tuition and fees).

**Student Organizations:** As defined in Student Activities, the section is titled Formal Chartering and Recognition Policies.

**Tip/Gratuity** - A gratuity (also called a tip) is a sum of money customarily given by a client or customer to a service worker in addition to the basic price. Tipping is commonly given to certain service sector workers for a service performed, as opposed to money offered for a product or as part of a purchase price (tips and gratuities should be 20% or less of the cost of the meal.)

**Work Location:** The place where a significant portion of an employee's working time is spent or where the employee returns during working hours upon completion of special assignments. The employee's department determines what constitutes an individual employee's work location for these procedures.

**Hospitality Request Form:** A form meant for the documentation and justification of hospitality transactions. When applicable, the Hospitality Request Form should include supporting documentation with the payment method. Form should be filled out and approved before any expenses are incurred.

## F. Allowable Expenses

Hospitality expenses must be directly related to, or associated with, the active conduct of official CSUF business. When an employee acts as an official host, the occasion must, in the best judgment of the Approving Authority, serve a clear CSUF business purpose, with no personal benefit derived by the Official Host or other employees. In addition, expenditures for hospitality should be cost-effective and under the best use of university funds.

When determining whether a hospitality expense is appropriate, the Approving Authority must evaluate the following:

- 1) Importance of the event in terms of the costs that will be incurred
- 2) The benefits to be derived from such an expense
- 3) The availability of funds
- 4) Any alternatives that would be equally effective in accomplishing the desired objectives.

Provisions of hospitality are permitted under this policy, which may include but is not limited to:

- 1) Hosts or sponsors business meetings that directly correlate with the operations of CSUF
- 2) Host official guests with an interest in CSUF
- 3) Host or sponsor of a meeting of a learned society or professional organization

- 4) Host receptions held in connection with conferences, meetings of a learned society or professional organization, meetings of student organizations and groups, student events such as commencement exercises, and events or meetings of other related groups such as alumni associations
- 5) Hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors.
- 6) Hosts receptions for the benefit of employee morale, employee recognition, and official presentations for length or exceptional contributions of service awards, with at least five (5) years of service.

When determining whether a hospitality expense is reasonable and appropriate and to minimize hospitality costs, departments should consider adopting the following best practices:

- 1) Plan the hospitality event in advance (i.e., 30 days before an event)
- 2) Obtain pre-approval of all hospitality expenses
- 3) Establish a budget
- 4) Obtain several quotes prior to incurring the expense
- 5) Utilize preferred CSUF vendors

## **1. Entertainment Services**

For purposes of this policy, entertainment services are reasonable expenditures incurred in connection with events or activities, such as equipment and venue rental, décor, music, and performers as part of a public purpose event. Service expenditures related to showcasing the talent of students or employees and do not involve hospitality are considered regular business expenses and are not governed by this policy.

## **2. Recreational, Sporting, and Entertainment Events/Activities**

University funds may be used to pay a fee for employees and official guests to attend, enter, or participate in a recognized university recreational, sporting, or entertainment event/activity.

Non-university recreational, sporting, or entertainment events/activities should be evaluated for their importance 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. Additionally, the Division Head must pre-approve the use of university funds on non-university events/activities.

All expenses for recreational, sporting, and entertainment events/activities must be directly related to the conduct of university business. Event/activity expenses that constitute a “private or personal purpose” are prohibited. The payment record should include an invitation, flyer, or similar documentation.

Events under this category should be approved by the Division Head or President.

## **3. Food and Beverage**

Food and beverages include, but are not limited to, meals (voucher, catered, or restaurant) and light refreshments (beverages, hors d'oeuvres, pastries, and cookies.) Food and beverages provided to employees and official guests may be permitted if the expenses occur infrequently, are reasonable, and when they serve a CSUF business purpose. Food and beverages at meetings or events that are carried

out on a routine or frequent basis are not generally permitted. Additionally, expenditures that are driven by personal motives are an impermissible use of university funds. Diligent efforts should be made to use campus approved vendors for catering and food events when possible. Please visit the Contracts & Procurement website or contact them to obtain an updated list or with any questions. These vendors have been pre-vetted and should have the correct health certifications, insurance requirements and so on. Please visit the following link and click on Authorized Service Providers:

[Learn About the Catering Program](#)

This policy establishes that CSUF will do the following:

**Department reviewers and approvers:**

- a) Identify authorization and need for the food and beverage
- b) Document the meeting or event-specific requirements
- c) Provide itemized receipts or invoices

**Accounts Payable Department:**

- d) Establish a maximum per-person rate(s) for breakfast, lunch, dinner, and light refreshments (the maximum should be inclusive of the total cost of food, beverages, labor, sales tax, delivery fees, or other service fees.)
- e) Periodically review and document the maximum per-person rates.

When determining whether a hospitality expense is appropriate, the Department Head, or their designee, 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.

Providing hospitality meals to official guests while on travel status (e.g., donor lunch/dinner) must be annotated and per diem adjusted.

Meals or light refreshments provided to employees may be permitted if the expenses:

- a) Occurs infrequently (e.g., 12 times or less per fiscal year) per team, group, or committee
- b) Is reasonable (maximum per-person rate does not exceed the allowable rates) and
- c) Has a bona fide 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. Examples include:

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

Maximum Food & Beverage Rates	
Description	Per-Person
Breakfast	\$45.00
Lunch	\$60.00
Dinner	\$110.00
Light Refreshments	\$45.00

Division Heads must pre-approve limited exceptions to the maximum per-person rate with documented justification outside these events. Under no circumstances shall an individual approve their own exception to the maximum per-person rate. Additionally, approval of such meetings or events may not be

further delegated. President's expenditures will be approved by the Vice President for Administration and Finance/Chief Financial Officer (CFO).

#### **4. Spouses, Domestic Partners, and Significant Others**

Event attendance of a high-level official's spouse, domestic partner, or significant other might be permissible if their present service is for legitimate CSUF business purposes and has a substantial role in the proceedings. Should a spouse or registered domestic partner have no significant role or perform only incidental duties of a social or clerical nature, attendance does not constitute a bona fide business purpose. Such expenses are taxable to the employee and may not be reimbursed or paid under this policy.

Allowable CSUF business purposes include but are not limited to:

- a) Ceremonial functions
- b) Fundraising events
- c) Alumni gatherings
- d) Certain Athletic functions
- e) Community events

The payment record should include an agenda, invitation, or similar documentation substantiating the significance of the role. AO funds must be used for all spouses, domestic partners, or significant other reimbursement costs or payments. Such expenses should be approved by the division head, if a personal benefit exists, expenses can be approved by the President.

#### **5. Students and Prospective Students**

Hospitality provided to students or prospective students may be permitted when it serves a CSUF business purpose. To justify the expenditures, a department must determine that the expenditure is consistent with the mission of CSUF.

Permissible students or prospective student activities include but are not limited to:

- a) Recruitment efforts
- b) Student activities
- c) Student programs
- d) Student organization events
- e) Student recognition events
- f) Commencements

Students may be hosted to attend fundraising and other community relations events that enhance their learning experience, in recognition of their student achievement, to engage with alums and donors, or as representatives of elected student leadership. 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 (NCAA)). In addition, to comply with hospitality rules and regulations stipulated by the NCAA, hospitality provided to student-athletes and their families must abide by the requirements outlined by this hospitality policy. When there are questions about Athletics Department expenditures or a need for further interpretation and clarification of the hospitality requirements, the final determination will be guided by this hospitality policy and the pre-approval of the Accounts Payable and Travel Department. Hospitality provided to students may need to be reported to the financial aid office, departments should check with financial aid about any reporting they must do to financial aid.



## 6. Awards/Prizes and Service Recognition

CSUF has established an award program to the extent that such expenses serve a purpose consistent with the mission and fiduciary responsibilities of CSUF and align with IRS regulations. Awards and prizes to employees for exceptional contributions, students for excellence, and individuals to participate in research-funded surveys or studies, as well as employee recognition and official presentations for the length of service awards, with at least five (5) years of service are examples of a bona fide business purpose.

Cash prizes and cash equivalent prize items, such as gift cards and gift certificates, must be expensed to AO funds. However, regardless of the amount of cash and cash equivalent items, they are always taxable to the employee as wages. (Reference IRS gifts or bequests <https://www.irs.gov/charities-non-profits/private-foundations/gifts-or-bequests-of-business-holdings>). Additionally, the issuing department must inform financial aid of any student recipients for any cash or cash equivalent prize or award. A non-cash award or prize, including opportunity drawing items, may have a taxable consequence to the employee if it does not meet the IRS definition of de minimis (\$100) and is infrequent. Refer to the IRS for tax rules in the resources and materials section.

Awards and prizes of any type must be tracked by the issuing department, including contact information, type of prize/award, amount (fair market value), funding source, and relationship to university (student, employee, Aux employee, etc.).

Official activities and award programs may include but are not limited to:

- a) Outstanding Faculty Member of the College
- b) Outstanding Staff Member from Titan Excellence
- c) Outstanding Student
- d) Outstanding Research Publications
- e) University Awards Program

Per-Person Award and Prize Limits:

- a) General Award and Prize Limit (including cash, cash equivalent, and opportunity drawing items): The value of an award or prize should not exceed \$100 in value. If an award or prize exceeds \$100 (e.g., awards provided to a department, college, or division for research or excellence), the Division Head must approve the award or prize amount. Approval may not be further delegated.
- b) Faculty/Staff Length of Service Award Limit: The value of a faculty/staff length of service award, part of CSUF's annual faculty and staff recognition events, may not exceed \$400. The Length of Service award is awarded every five years. The CSUF Human Resources, Diversity & Inclusion (HRDI) will determine and calculate the Length of Service awards.
- c) Retirement Awards/Tangible Personal Property and Recognition Gathering: The value of a retirement award/tangible personal property or recognition gathering on campus may not exceed \$400 in value. When warranted by the length of service (five (5) years or more), position, and achievements of the individual retiring, the value of the award/tangible personal property may be greater. The Division Head may approve a retirement award/tangible personal property or recognition gathering on campus, not exceeding \$1,600. Approval may not be further delegated. Years of service, eligibility for the retirement award, and official retirement status should be calculated by HRDI.



All awards and prizes will require a listing of the award/prize recipients, a description of eligibility, selection criteria, and the advertised amount as supporting documentation. Each award/prize recipient must complete the Prize or Award for Employee Form or Prize or the Award for Non-Employee Form. Any cash or equivalent provided to a student must be reported to the financial aid office; the issuing department is responsible for informing the financial aid office of any such prizes or awards.

## **7. Morale and Team-Building**

Employee morale-building and appreciation activities are limited to twice a fiscal year and must serve an official business purpose. Such activities may include but are not limited to:

- a) Staff appreciation breakfasts or lunches
- b) Staff development retreats

The Division Head must consider all alternatives equally effective in accomplishing the desired objectives. Additionally, the Division Head must approve all employee morale-building and appreciation activities and is responsible for providing a justification that includes a description of the activities and expenses.

## **8. Gifts**

Gifts are items of value given or bestowed upon an individual, group, or entity with the expectation of a benefit accruing to the university, including donor and volunteer recognition. Gifts may include get well or memorial floral or other arrangements made on behalf of the university in the event of a severe illness, injury, or death of a university employee; an individual external to the university who had a close educational, community, business, or philanthropic relationship with the university; a student; or death of a member of an employee's immediate family. Memorial donations may be provided but are subject to AO funding restrictions.

Gift cards/certificates given as a gift or employee gifts beyond serious illness, injury, or death are prohibited. The Division Head must pre-approve gifts, floral, or other arrangements of more than \$75. Approval may not be further delegated, and in no instance may the gift, floral, or other arrangement exceed \$200. Only AO funds may be used for gift cards.

Gifts of any type must be tracked by the issuing department, including contact information, type of prize/award, amount (fair market value), funding source, and relationship to university (student, employee, Aux employee, etc.).

## **9. Fundraising Events**

All University fundraising efforts must be coordinated through the University Advancement. When university resources are used in fundraising efforts to secure gifts and other contributions for the Cal State Fullerton Philanthropic Foundation, those efforts are recognized as providing either tangible or intangible value that ultimately strengthens the overall benefit of the university and its educational mission even though the activity might reside in an AO or enterprise program/activity/fund. The exchange of value resulting from the beneficial investment opportunities afforded to the AO will ultimately benefit the university, mitigating the need for direct or indirect cost recovery for such services.

Supporting documentation should include individual names, affiliations, and a justification of direct or indirect benefits to the university derived from the expense. Hospitality expenses that may fall under this category must abide by the dollar or per-person limits within this policy. The Hospitality Request form requires the Vice President of University Advancement or their designee to approve or counter-approve all expenses within this category.

## **10. Promotional Materials**

Promotional materials are items of nominal value that bear the university logo or other university symbol and are distributed to promote the name or image of the university, provide information, or enhance university productivity.

## **11. Membership in Social Organizations**

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

## **F. Unallowed Expenses**

### **1. Personal Benefit**

Hospitality expenses that are personal and unrelated to the active conduct of official CSUF 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. When determining whether a hospitality expense is appropriate and does not provide a personal benefit, the Division Head 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.

This policy establishes that personal benefits include but are not limited to:

- a) Employee anniversaries
- b) Employee baby showers
- c) Employee birthdays
- d) Employee farewell parties
- e) Employee holiday gifts
- f) Employee weddings
- g) Employee wedding anniversaries
- h) Employee recognition and recognition gathering for employees with fewer than five years of service

Additionally, Hospitality may not be routed through AO Funds only to be submitted for reimbursement by the auxiliary. Any Hospitality forms approved and paid by AO funds and subsequently submitted for reimbursement fall subject to this policy, and all required documentation and signatures must be included; any deviations will not be reimbursed.

## **G. Allowable Funding Sources Expenses**

### **1. State Funds**

Unless expressly authorized in the Local Trust Agreement (LTA), state funds have restrictions on uses.

State funds may be used to pay for the following:

- a) Students or prospective students when it serves a business purpose
- b) Awards and prizes to employees for exceptional contributions, to students for excellence, and individuals for participating in research-funded surveys or studies
- c) Employee recognition and official presentations for length of service awards or exceptional contributions, with at least five (5) years of service
- d) Official employee morale/team building and appreciation activities that serve a business purpose
- e) Fundraising efforts to secure gifts and other contributions
- f) Promotional materials/items of nominal value that bear the university logo

State funds **may not** be used to pay for the following:

- a) Any expenditure prohibited by applicable laws, regulations, or agreements, including the California Budget Act
- b) Food and beverages or entertainment services that do not serve a business purpose
- c) Cash/cash equivalent awards, prizes, and gifts
- d) Memberships in social organizations
- e) Alcoholic beverages or tobacco products

## **2. Auxiliary Organization (AO) Funds**

Hospitality expenses may be charged to AO funds provided the expense serves a bona fide business purpose.

AO funds are subject to the same restrictions for use as State funds; however, they may allow for the following:

- a) Spouse, domestic partner, or significant other hospitality expenses
- b) Formal awards, prizes, and service recognition (including cash and cash equivalent items such as gift cards and gift certificates)
- c) Entertainment services
- d) Gifts, which may include but are not limited to get-well gestures, memorial floral arrangements, or memorial donations (gifts may not exceed \$200 in value)
- e) Membership in social organizations
- f) Promotional items to the extent these purchases are not restricted by other applicable laws, regulations, or funding source agreements
- g) Alcoholic beverages
- h) Tobacco products that only apply to the exceptions identified in the *Policy on Systemwide Smoke and Tobacco Free Environment (EO 1108)*.

## **3. Sponsored Program Administration Funds**

Federal or local government contract and grant funds may only be used to pay hospitality expenses authorized explicitly in the contract or grant or by agency policy. In the event of a conflict between the agency and CSUF policy, the stricter of the two policies shall apply. Federal funds may not be used to purchase alcoholic beverages or tobacco products unless alcohol and tobacco are part of the research.

## **H. Approval of Transactions**

This section outlines the appropriate approval of the transaction process required by CSUF.

CSUF requires the following:

- 1) Individuals with delegated approval authority may not approve their expenses, expenses related to their participation in hospitality events or activities, or the expenses of their supervisor. The exception is the President's expenditures by the Chief Financial Officer.
  - a. Exceptions are to be signed by the division head when appropriate, if they benefit from the expense it must go to the next level of approval. Any exceptions needed by the President will be authorized by the Chief Financial Officer.
  - b. Hospitality pre-approvals may be within a 10% overage before requiring additional approver signature.
- 2) A Division Head's participation and hosting a hospitality event or activity requires the President's approving authority.
- 3) Payment or reimbursement for attendance at a community relations activity or fundraising event must, at minimum, document the following:
  - a. Individual names
  - b. Affiliations
  - c. Direct or indirect benefit to the university to be derived from the expense
- 4) Payment or reimbursement of hospitality expenses for recreational events that include but are not limited to sports games, art exhibits, concerts, theatre performances, and other entertainment events must be approved by the Division Head.
- 5) Payment or reimbursement of hospitality expenses for a spouse, domestic partner, or significant other of an employee must be approved by an Approving Authority independent of or unrelated to the individual requesting payment or seeking reimbursement.
- 6) The Approving Authority and Division Head must verify that all expenses are valid, that appropriate documentation is attached, and that all funding source restrictions are observed.
- 7) Through the DOA form, the Division Head may designate an Approving Authority to approve hospitality expenditures up to \$2,500. Expenditures in excess of \$2,500 require approval of the Division Head. To establish or change DOA a delegation of authority form can be submitted to Accounts Payable AP@fullerton.edu.

## I. Hospitality Request Form

Hospitality expenses must have a completed Hospitality Request Form submitted along with supporting documentation such as a meeting agenda, flyer, invitation, sign-in sheet, invoice, and itemized receipt when requesting payment or reimbursement. Information required on the Hospitality Request Form and additional supporting documentation includes but is not limited to:

- 1) The type of event (business meeting, department meeting, host of official guests, employee recognition, reception, fundraising or community outreach, etc.)
- 2) Provide a detailed business purpose for a meeting or event. The business purpose must be specific and provide enough information to a third-party reviewer to understand the nature and purpose of the meeting/event.
- 3) Type of hospitality (meals/refreshments, service recognition, etc.)
- 4) Location and date
- 5) List of attendees and their business relationship to the campus
- 6) The cost of the meal per attendee

- 7) For a large group where the names of attendees are unknown, a description of the group and estimated meal cost per attendee is sufficient.
- 8) A spouse, domestic partner, or significant other must include an agenda, invitation, or similar documentation.
- 9) A list of the award/prize recipients and a description of eligibility, selection criteria, and the amount advertised are required for awards and prizes. A copy of a completed Prize or Award Employee or Non-employee Form for each award/prize recipient must be included.

Violations of the policy can result in infractions for the P-Card and will require additional training on both Hospitality policy and P-Card policy.

### III. Guidelines

- Refer to CSUF Travel Policy and Procedures for travel-related reimbursements and payments.
- Refer to Labor Agreements for meal allowance for represented employees required to remain on premises during meal periods or working overtime.
- IRS Publication 5137, Fringe Benefits Guide
- General Instructions for Certain Information Returns (1099)
- Government Code § 8314
- California Constitution, Article 16 Public Finance § 6

### IV. Authority

This policy is issued pursuant to [Section II of the Standing Orders of the Board of Trustees of the California State University](#) and as further delegated by the [Standing Delegations of Administrative Authority](#). The CSUF President may delegate Authority and responsibility described in this policy to other University officials pursuant to [Section VI of the Standing Orders of the Board of Trustees of the California State University](#). Refer to CSU Hospitality Policy 13790907.

## I. Appendix A

<b>HOSPITALITY EXPENSES APPROVED FUNDING MATRIX</b>		
<b>EXPENSE</b>	<b>FUND SOURCE</b>	
	STATE	AO
<b>1) Entertainment Services</b> Reasonable expenses as part of a public purpose event include but are not limited to equipment and venue rental, decor, music, and performers.	YES	YES
<b>2) Recreational, Sporting, and Entertainment Events/Activities</b> University funds may be used to pay a fee for employees and official guests to attend, enter, or participate in a recognized university recreational, sporting, or entertainment event/activity. The Division Head must pre-approve the use of university funds on non-university recreational, sporting and entertainment events/activities.	YES	YES
<b>3) Food and beverage (non-alcoholic)</b> Food and beverages such as meals (vouchers, catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies) may be provided to employees and official guests when the expenses occur infrequently, are reasonable and serve a business purpose.	YES	YES
<b>4) Spouse, Domestic Partner, or Significant Other</b> Event attendance of a high-level official's spouse, domestic partner, or significant other might be permissible if their present service is a legitimate CSUF business purpose and has a substantial role in the proceedings.	YES	YES
<b>5) Students and Prospective Students</b> Hospitality provided to students or prospective students may be permitted when it serves a CSUF business purpose.	YES	YES
<b>6) Awards/Prizes and Service Recognition</b> Something of value given or bestowed upon an individual, group, or entity in recognition of service to the university or achievement benefiting the university or with the expectation of benefit accruing to the university or for other occasions that serve a bona fide business purpose. Faculty/staff length of service awards and retirement awards/tangible personal property and recognition gatherings may be awarded to employees with at least five years of service. Prizes may be purchased if determined to meet the university's business needs. Cash prizes and cash equivalent prize items, such as gift cards and gift certificates, must be expensed to AO funds. Dollar limits apply.	YES	YES
<b>7) Morale and Team-Building Activities</b> Employee morale-building and appreciation activities that serve an official business purpose.	YES	YES
<b>8) Gifts</b> Items of value given or bestowed upon an individual, group, or entity with the expectation of a benefit accruing to the university, including donor or volunteer recognition. Gifts also may include but are not limited to get well or memorial floral or other arrangements made on behalf of the university in the event of a severe illness, injury, or death of a university employee, an individual external to the university who had a close educational, community, business, or philanthropic relationship with the university; a student; or death of a member of an employee's immediate family. Gifts may not exceed \$75 in value unless approved by the Division Head. In no instance may a gift exceed \$200.	NO	YES
<b>9) Fundraising</b> All University fundraising efforts must be coordinated through University Advancement with the intent to secure gifts and other contributions. The Hospitality form requires counter-approval by the Vice President of University Advancement or their designee for all expenses under this category.	YES	YES
<b>10) Promotional Materials</b> Promotional materials are items of nominal value that bear the university logo or other university symbol and are distributed to promote the name or image of the university, provide information, or enhance university productivity.	YES	YES
<b>11) Membership in Social Organizations</b> University clubs, athletic clubs, civic organizations, or other membership organizations that provide a venue for hosting hospitality events or promoting goodwill in the community. Memberships in business leagues, chambers of commerce, trade associations, and professional organizations are considered regular business expenses and are not governed by this policy.	NO	YES
<b>12) Alcoholic Beverages/Tobacco Products</b> Tobacco products are generally not allowed. Please reference the <i>Policy on Systemwide Smoke and Tobacco Free Environment (EO 1108)</i> for exceptions.	NO	YES

