

# **CSUDH HOSPITALITY POLICY**

# CSU HOSPITALITY POLICY OVERVIEW

- Hospitality expenses include
  - Entertainment services
  - Food and beverage
  - Awards and prizes
  - Promotional items
- 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 CSU.**



# CSU HOSPITALITY POLICY OVERVIEW

## Hospitality expenses

- must be directly related to, or associated with, the active conduct of official CSU business.
- should be cost effective and in accordance with the best use of **public funds**.

Events or activities that may require the provision of hospitality include, but are not limited to:

- employee meetings
- recognition events
- Student events
- activities to promote employee morale
- recruitment
- hosting conferences
- fundraising events to promote the university
- hosting guests with an interest in the CSU



# CSU HOSPITALITY – ALLOWABLE EXPENDITURES

- Employee Meetings
  - Food and beverage may be permitted
    - **infrequent, reasonable, and appropriate to the business purpose**
  - Cost of meals and refreshments must not exceed the maximum rates
  - Require a VP or designee approval
- Students and Prospective Students
  - Recruitment, student activities and programs, student organization events, student recognition events, commencement
- Awards and Prizes
  - To employees for superior accomplishment, years of service, exceptional contributions
  - To students for academic achievement or excellence



# CSUDH HOSPITALITY – GIFT CARDS

- Gift cards are permissible as:
  - Awards and prize
  - Incentives to participate in a non-researched (grant) funded survey.
  - Incentives to participate in Athletics Toro Rewards program
  - Distribution of Campus Food Pantry meal voucher
  - Door prizes as part of an opportunity drawing related to a business activity
- Limits
  - Gift cards and cash equivalent - \$50 per award/prize
  - Non-cash awards and prizes - \$100 per award/prize.
- Gift card purchases require VP (or designee) and CFO approval
- Cash-equivalent (e.g. gift cards) awards or prizes given to employees are always reportable as wages regardless of dollar amount, and are subject to IRS tax regulations.



# CSUDH HOSPITALITY – AWARDS & PRIZES

## Departments' responsibilities for cash-equivalent and non-cash awards and prizes

- If given to employees, report to the Payroll Department for tax reporting purposes.
  - Form 676P for cash-equivalent
  - Form 676V for non-cash awards/prizes
- If given to students,
  - Cash-equivalent (e.g. gift cards) – report to Financial Aid Office
  - Non-cash awards – report to Accounting Services
- Must safeguard gift cards, gift certificates, meal vouchers and non-cash prizes in a secure location
- Must maintain a log sheet containing serial numbers, ID info. and signatures, etc.
- When total value of undistributed gift cards exceed \$1,000, CSUDH policy requires locking them in the Cashier's Office.



# CSUDH HOSPITALITY UNALLOWABLE COSTS

State funds may NOT be used for the following:

- Alcohol and/or tobacco
- Food and beverages or entertainment services NOT serving a business purpose
- Memberships in social organizations

Examples of activities that are **not approved** for hospitality using state funds:

Costs associated with:

- Birthday parties
- Baby showers
- Bereavement
- Retirement parties
- Water service for employee convenience
- Weddings
- Anniversaries
- Get well
- Farewell parties

**NOTE:** Expenses that are personal in nature, or are structured primarily for the purpose of providing personal benefit are not allowed. Auxiliary funds (e.g. discretionary Foundation funds) may be used for hospitality expenses not permissible with State funds, subject to laws, regulations and auxiliary's policy and funding source agreements or directives.



# CSU HOSPITALITY FUNDING

- Various Funding Sources:

- State Funds – all funds held by the University

- CSU Operating Funds, such as AADHT, ST001

- Auxiliary Enterprise Funds or Self-Support Funds, such as Housing, Parking, Extended Ed

- Miscellaneous Trust Funds – subject to restrictions defined on the Trust Fund agreement

- Auxiliary Organization Funds – all funds held by the auxiliary organizations

- Foundation, Philanthropic Foundation, LSU, ASI

- Subject to auxiliary organizations' policies and fund directives

- Restrictions

- Course Fees (FTxxx) Funds – shall be used for expenses associated to the class that collected the revenues

- Lottery and IRA Funds – shall be used for instructional purposes





# CSUDH HOSPITALITY APPROVALS

## Who can approve hospitality expenses?

- Associate Vice Presidents, Deans or Department Heads reporting directly to the Vice President, or designee
- Vice President or designee approval required for
  - employee-only events
  - purchase of gift cards
- CFO approval required for purchase of gift cards
- President or designee approval required for recreational, sporting or entertainment events
- Individuals with delegated authority may not approve their own expenses and expenses of their supervisor. Exception is made of approval for the President's expenditures by the Chief Financial Officer
- Designees must be in a managerial position

## When determining whether a hospitality expense is appropriate, the approving official must evaluate...

- The importance of the event in terms of the costs that will be incurred
- The benefits derived from such an expense
- The availability of funds
- Any alternatives that would be equally effective in accomplishing the desired objectives

# QUESTIONS & ANSWERS

