CSUDH HOSPITALITY POLICY
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.
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
    • when the event serves a CSU business purpose
    • if the expenses occur *infrequently*, are *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
  • Hospitality may be permitted when the event serves a CSU business purpose
  • 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
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 of hospitality form and gift card purchase authorization form.

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.
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
  • Payroll will enter the employee SSN information when forms are received.

• 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 such as a locked cabinet or safe (per ICSUAM Policy 6330-00)

• Must maintain a log sheet containing serial numbers, ID info. and signatures, etc.
  • May be used to notify administrative departments of awards given to employees and/or students.
  • Subject to audit by Accounting Services

• When total value of undistributed gift cards exceed $1,000, CSUDH policy requires locking them in the Cashier’s Office.
Some examples of activities that are **not approved** for hospitality are

Costs associated with:

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

**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 the auxiliary’s policy and fund directives.
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

Any other funding sources (e.g. discretionary Foundation funds) may be used if the funds are not restricted by laws, regulations or funding source agreements. No fund source may be used for tobacco purchases. See hospitality policy for more info.
• 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
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.
- Vice President or designee and CFO approval required for limited use gift cards and other cash equivalent items
- President or designee approval required for recreational, sporting or entertainment events and also for a spouse or domestic partner of an employee
- 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