

Hospitality FAQ

1. What constitutes a gift of “public funds”?

The California gift of public funds doctrine set forth in the California Constitution, Article XVI, § 6, prohibits the giving or lending of public funds to any person or entity, public or private. In determining whether an appropriation of state funds or property is to be considered a gift, the primary question is whether the funds are to be used for a “public” or “private” purpose. If they are for a “public purpose”, they are not a gift within the meaning of [§6 of art. XVI]. If an expenditure serves a primary public purpose, it is not a gift even if it incidentally benefits an individual.

2. Can I send gifts or flowers for a funeral, birthday, or as a “thank you” with state funds?

No, gifts are not allowable using State funds.

3. What are Enterprise funds as defined by EO 1000?

All CSU funds within SCO fund 0948, State University Trust Fund, that are used to report activity for which a fee is charged to external users for campus goods or services. This includes, but is not limited to, State University Parking Revenue Fund (EC §89701(b)), State University [Health] Facilities Revenue Fund (Education Code §89702(c)), State University Continuing Education Revenue Fund (Education Code §89704(a)), and CSU Dormitory Revenue Fund (Education Code §90036).

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

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. Considerations include:

a) Meals or light refreshments provided to employees on a frequent or routine basis are considered taxable income by the IRS and are therefore not permitted under this policy.

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

c) Meals or light refreshments provided to a group should be counted on an event basis, e.g., a two-day meeting should be counted as one event in determining compliance with these guidelines.

Examples where food and beverage may be permitted 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 it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location.

5. I have a person who is retiring. Can I use state funds to have a party where the expenses are paid for by the University?

No, Pursuant to the statute [EC §44015], an employee can be recognized for superior accomplishments, within specified guidelines. Awards maybe given to recognize years of service at the time of retirement, but the statutory authority to make awards does not authorize paying for a “retirement party.”

6. What activities are permissible with state funds?

The following activities may be permissible, with state funds, when it is determined that there is a business purpose for the expenditure.

- a) Awards to students to participate in a non-researched (grant) funded survey. (Subject to IRS tax laws)
- b) Incentives to anyone, including employees, to participate in a research funded survey or study, within the terms of the grant and the grant serves an instructional purpose. (Subject to IRS tax laws)
- c) Awards and recognition to students.
- d) Decorations purchased as part of a ceremony at a public event.
- e) Expense related to Fundraising in support of providing a better student experience.

f) Employee recognition and official presentations in conjunction with University-wide events for exceptional contributions, or length of service awards for five years of service or longer.

g) Awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in a research funded survey or study.

h) Official employee morale-building and appreciation activities that serve a business purpose.

7. What activities are not permissible with state funds?

The following activities would NOT be permissible as they are deemed a personal benefit.

a) Gift card, gift basket, flowers or other non-cash gift as a thank you to consultants, guest speakers, or employees at another campus

b) Provide promotional items as a thank you gift

c) Gifts for employee birthdays, weddings, anniversaries, baby showers, etc.

d) Memorial services, and farewell gifts and gatherings

e) Bereavement or get well flowers/cards

f) Membership in Social Organizations

8. Can I pay for retirement luncheon expenses if I combine it with a department meeting or hold it right after a meeting?

No. Pursuant to the statute [EC §44015], an employee can be recognized for superior accomplishments, within specified guidelines. Awards may be given to recognize years of service at the time of retirement, but the statutory authority to make awards does not authorize paying for a “retirement party.”

9. How is “infrequent” defined?

Infrequent is defined by the IRS as no more than 12 times per year per group or department. Meals or light refreshments provided to a group should be counted on an event basis, e.g., a two-day meeting should be counted as one event in determining policy compliance.

10. If my student assistant is at my employee meeting, do I need VP approval?

Yes. A student who is in attendance in their capacity as a student assistant is considered an employee and not an official guest. This would be considered an employee-only event that would require VP approval.

11. If an ASI or Foundation employee is at my employee meeting, do I need VP approval?

Yes. Auxiliary employees are not considered official guests for hospitality purposes. This expense would be considered an employee-only event that would require VP approval.

12. When can I use a blanket Hospitality form?

EVENTS: Complete one Hospitality form per event. An "event" refers to a multi-day event consisting of consecutive days, such as a two-day conference. The Hospitality form for an event may include several types of Hospitality, such as a meal AND promotional items. If the same event occurs quarterly, a unique Hospitality form will be required for each quarterly occurrence.

EXCEPTION: Only one Hospitality form is required per recruitment.

HOSPITALITY OTHER THAN EVENTS: For non-events, such as promotional items being purchased to have on-hand to use throughout the year, each invoice being paid by Direct Pay or P-card must have its own unique Hospitality form. If purchasing goods via a blanket Purchase Order, only one Hospitality form is required (at the time of submitting the requisition), but a copy must be attached to each expense.

13. How many Hospitality forms do I need to submit for each event?

Only one Hospitality form is required per event. When completing only one form per event, each type of Hospitality being provided for the event must be selected. A copy must be attached to each expense.

14. Can I have a party for my student assistants at the end of the year?

Parties or celebrations do not have a business purpose and are not permitted using State funds.

15. Can I give my student assistants gift cards to recognize their hard work?

Student Assistants are campus employees. Awards and prizes provided to employees in conjunction with University-wide events for exceptional contributions and superior accomplishments and for length of service of five years or longer are permissible, as are awards and prizes provided to employees participating in University-wide morale building events and appreciation activities that serve a business purpose such as the annual staff appreciation day. VP and CFO pre-approval is required for gift cards. Restrictions apply – please refer to the [Hospitality Policy](#).

16. What are allowable employee morale and appreciation activities?

Examples include the CSUDH staff appreciation day and annual holiday celebration, employee recognition (such as annual service awards) and length of service award presentation (at least five years of service).

When meetings or events, including employee-morale and appreciation activities, are held for University employees only and no official guest is attending, a business purpose and a justification stating the meal is integral to business function must be provided, and pre-approval from the Vice President is required. The Vice President will make the determination on the appropriateness of the meeting or event requiring food and/or beverage.

Division/Departments shall consider the use of non-State Operating Funds first before authorizing hospitality expenses for food/beverages with State Operating Funds (AADHT, ST001).

17. I do not see team building addressed in the policy. Can I take my team to an escape room?

Yes. However, on the Hospitality form you must explain the direct or indirect benefit to the CSU to be derived from this expense.

Hospitality expenditures for recreational, sporting or entertainment events must be pre-approved by the President or Designee.

18. Does the per-person meal maximum apply only to employee meals?

No, the maximum applies to everyone.