



# HOSPITALITY POLICY

Effective: 03/25/2019

Previously Revised & Effective: 02/21/2024

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Newly Revised & Effective: 05/16/2024

In accordance with CSU Hospitality Policy (ICSUAM 1301.00), hospitality expenses that are necessary, reasonable, appropriate to the occasion, and consistent with the mission and fiduciary responsibilities of California State University, Dominguez Hills (CSUDH) for activities that promote the University to the public and in connection with official University business, are permissible, as defined by this policy.

## **100 PURPOSE**

This policy governs the manner and extent to which hospitality may be provided 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. The policy also addresses employee team-building activities and meals provided to prospective students and employees. Expenses incurred for meals while travelling on University business (i.e., meals purchased by the individual travelling) are not hospitality and are governed by the University travel policy. In instances when an individual acts as an official host while travelling on University business, hospitality provisions governed by this policy apply.

## **200 SCOPE**

This policy governs the appropriate use of state, auxiliary organization, sponsored program administration, private-purpose trust and agency funds unless legally exempted or otherwise restricted; i.e., documented fund agreements. CSUDH and its auxiliaries will comply with additional restrictions when established by funding sources.

## **300 AUTHORITY**

Authority for this policy is pursuant to California Education Code sections 89044, 66600, 89030, and 89035, and Integrated CSU Administrative Manual (ICSUAM) 1301.00.

## **400 ALLOWABLE EXPENDITURES**

Hospitality expenses must be directly related to or associated with the active conduct of official University business. When an employee acts as an official host, the occasion must serve a clear University business purpose, with no personal benefit derived by the official host or other employees. In addition, the expenditure of funds for hospitality should be cost effective and in accordance with the best use of public funds.

All hospitality expenses must be approved by the appropriate approving authority. When determining whether a hospitality expense is appropriate, the approving authority must evaluate: the importance of the event, the frequency of the event, costs that will be incurred, benefit to be derived from the expense, availability of funds, and any alternatives equally effective in accomplishing the desired objectives.

Following are examples of occasions when the provision of hospitality is permitted under this policy (fund restrictions still apply):

- The University hosts or sponsors business meetings that further the instructional mission of the University and serve a clear business purpose;
- The University hosts official guests who have an interest that benefits the University;
- The University hosts receptions in conjunction with conferences, meetings of learned societies or professional organizations, student events such as commencement exercises, and events or meetings of other University related groups such as alumni associations;
- The University hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors;
- The University hosts events for the benefit of employee morale (e.g., staff appreciation day and the annual campus holiday celebration), employee recognition and length of service award presentation of at least five years of service (e.g., annual service awards).

#### **401 Employee Meetings**

Meetings serving a University business purpose, administrative in nature, and with a formal agenda. Examples include meetings of the Academic Senate, extended formal training sessions, conferences, extended strategic planning sessions, extended professional development sessions, and meetings of appointed workgroups and committees. Holiday season gatherings do not qualify as employee meetings and are not permitted using state funds.

Food and beverage provided to employees may be permitted when doing so serves a University business purpose and if the expenses occur infrequently, are reasonable and modestly priced, and appropriate to the business purpose. Providing meals or light refreshments during meetings that occur on a regular or frequent basis are not permitted under this policy. Additionally, public expenditures driven by personal motives are an impermissible use of public funds.

Providing meals or light refreshments in support of a University business purpose must be limited to no more than twelve 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.

- Food & beverage should not be provided to employees upon arrival at work, before or after a meeting, or at the conclusion of a work day.
- When a meeting takes place over an extended period (in excess of three hours), there *may* be justification to provide food or beverage, but all factors regarding necessity, reasonableness, appropriateness, and use of non-state funds should be considered.

Water may be purchased using any funding source that doesn't specifically restrict these types of purchases, if purchased for an official University or Auxiliary business function (e.g. meetings, hosting guests, etc.). Coffee and bottled water services may not be purchased for employee convenience (i.e. daily use). If a work location does not have accessible drinking water, water may be purchased for daily use from any funding source that doesn't specifically restrict this type of purchase.

The respective AVP or VP is responsible for determining the appropriateness of providing food and/or beverages when a meeting or event supporting a University business purpose is planned only for employees, with no official University guest attending, and their approval is required via the hospitality

authorization form. A properly completed Hospitality Authorization form will indicate when a Hospitality Meal Worksheet must be completed. The Meal Worksheet is completed *after* the event and gets attached for each meal invoice/receipt.

#### **401A *Maximum Per-Person Expenses for Employee Meals and Official Guests***

The University Chief Financial Officer is required to establish maximum per-person expenses allowable for hospitality meals and light refreshments provided during meetings and events to employees and official guests. Maximum per-person expenses include the total cost of food, beverages, labor, sales tax, delivery fees, tips or other service fees. Tips and gratuities may not exceed 20% of the total bill. The maximum allowable expenses shall be reviewed and documented periodically by the Chief Financial Officer and communicated to University constituents.

Maximum per-person expenses allowable during meetings and events are provided as Addendum A to this policy and shall remain in effect until the University Chief Financial Officer indicates otherwise.

On a case-by-case basis, when there is a compelling rationale to do so, hospitality expenditures exceeding the maximum-per person amount may be permitted. Documentation of a compelling rationale to approve an exception to the maximum per-person amount must be documented by attaching a memo or other form of approval, that has been signed by the respective AVP or VP and the University Chief Financial Officer, to the expense.

#### **402 *Spouses, Domestic Partners, Significant Others***

Hospitality provided to the spouse, domestic partner or significant other of an employee may be permitted when doing so serves a University business purpose such as ceremonial functions, fundraising events, alumni gatherings, athletic games, and community events. An agenda, invitation, or similar documentation should be included with the hospitality authorization form and payment record.

#### **403 *Students and Prospective Students***

Hospitality provided to students and prospective students may be permitted when it furthers the educational mission of the campus. Permissible activities during which hospitality may be provided include recruitment efforts, student programs, student organization events, student recognition events, fundraising and other community events, and commencement. Hospitality provided to student athletes and recruits must be in accordance with the rules of the intercollegiate athletic association's national governing board; e.g., National Collegiate Athletic Association.

#### **404 *Awards and Prizes***

##### ***Employee Awards & Prizes***

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.

Awards and prizes should be infrequent and conservative in value. Cash-equivalent awards provided to University employees in conjunction with a University-wide event using State funds may not exceed \$50. Subject to specific fund restrictions and availability of funds, non-State funds may be used to provide cash-equivalent awards and prizes above \$50 to University employees for exceptional contributions and for other University business purposes in conjunction with a University-wide event or activity.

Cash-equivalent awards and prizes, including gift cards, gift certificates, and meal vouchers with a specific dollar value provided to employees are always reportable as wages, no matter how small the value. A non-cash award or prize may have a taxable consequence. Non-cash awards given to employees using State funds may not exceed \$100 per award/prize. Subject to specific fund restrictions and availability of funds, non-State funds may be used to provide non-cash awards and prizes above \$100 to University employees for exceptional contributions and for other University business purposes in conjunction with a University-wide event or activity.

It is the responsibility of the department conferring the award or prize to notify Payroll of cash-equivalent awards given to employees, as well as non-cash awards or prizes. Furthermore, departments are required to complete forms 676 P for cash-equivalent awards and 676 V for non-cash awards, and submit them to Payroll for processing. The Payroll department will enter the employees' SSN information on these forms.

#### ***Student Awards & Prizes:***

Awards honoring student excellence are permissible. In addition, providing awards and prizes to students via University events and activities that serve a business purpose, such as via the CSUDH Athletics Toro Rewards program, is allowed, as is providing meal vouchers to students via the Toro Food Pantry (subject to Financial Aid reporting).

Cash-equivalent awards and prizes provided to students, including gift cards, gift certificates, and meal vouchers with a designated dollar value are always reportable to the Financial Aid office, no matter how small the value. Cash-equivalent awards provided to students using State funds may not exceed \$50. Subject to specific fund restrictions and availability of funds, non-State funds may be used to provide cash-awards and prizes above \$50 to students. It is the responsibility of the department conferring the award or prize to notify the Financial Aid Office of cash-equivalent awards and prizes provided to students, including the student identification number of award recipients.

Departments also are responsible for reporting non-cash awards or prizes provided to students to Accounting Services staff, who are responsible for tracking the cumulative value of non-cash awards or prizes and notifying the IRS should the cumulative value of non-cash awards meet or exceeds \$600 during a calendar year, which the University is required to report as income to the recipient. Non-cash awards given to students using State funds may not exceed \$100 per award/prize. Subject to specific fund restrictions and availability of funds, non-State funds may be used to provide non-cash awards and prizes above \$100 to University students for exceptional contributions and for other University business purposes in conjunction with a University-wide event or activity.

#### ***Gift Cards***

Subject to IRS tax laws and Financial Aid reporting (for students), gift cards are permissible only for the

following:

- Incentives to students to participate in a non-researched (grant) funded survey
- 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)
- Awards and recognition
- Incentives to participate in the Athletics Toro Rewards program
- Distribution of Campus Food Pantry meal vouchers
- As the result of an opportunity drawing related to a University business activity

Written approval by both the respective Vice President and the University Chief Financial Officer or designee is required to purchase gift cards or other cash equivalent awards or prizes, via the Gift Card & Cash Equivalent Purchase Authorization form. As indicated on the form, proof of distribution and reporting must be submitted to Accounts Payable.

Whenever possible, the use of electronic gift cards that are purchased AS NEEDED is recommended. In the event of leftover gift cards, all attempts should be made to return them for a refund. If not possible, a proposal must be submitted, with the final documents, to Accounts Payable as to how the leftover cards will be used (must be an allowable use), and all logging, tracking, reporting, etc. will remain ongoing until all cards have been distributed.

Additionally, departments must hold gift cards, gift certificates, meal vouchers and non-cash awards and prizes in a secured location such as a locked cabinet or safe, per [ICSUAM 6330.00](#). See CSUDH policy on [Cash and Cash Equivalent Security](#) for additional detail.

## **500 UNAUTHORIZED EXPENDITURES**

### ***Personal Benefit***

Hospitality expenses that are of a personal nature and not related to the active conduct of official University business are not permitted using State funds and will not be paid or reimbursed by the University. 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 of personal events and activities include, but are not limited to, birthdays, weddings, anniversaries, baby showers, memorial services, bereavement, retirement parties, farewell gatherings and get-well expenses. Holiday expenses, including food/beverage, gifts, greeting cards, and office décor are not permitted. Additionally, providing a gift card, gift basket, flowers or other cash equivalent or non-cash gift in lieu of payment or as a thank you to a consultant, guest speaker, or employee at another campus is not permitted.

Unauthorized expenditures also include those not in compliance with the CSUDH hospitality policy as provided herein.

## **600 ALLOWABLE FUNDING SOURCES**

Hospitality expenses may be paid from various fund sources, subject to the restrictions outlined below:

### **601 State Funds**

Subject to restrictions defined by this policy, State Funds may be used for the following:

- 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.
- Awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in a research-funded survey or study.
- Official employee team-building activities that serve a business purpose.

While State Funds may be used for awards and prizes subject to the limitations outlined in this policy, departments are encouraged to first consider use of non-State Funds.

State Funds may **not** be used for:

- Expenditures prohibited by applicable laws, regulations, or agreements including the California Budget Act.
- Food and beverages or entertainment services that do not serve a business purpose.
- Alcoholic beverages, memberships in social organizations, or tobacco products.

With the exception of tobacco products, all of the above hospitality expenses may be permissible with auxiliary funds subject to their policies and fund directives. Furthermore, Hospitality expenses will not be paid or reimbursed for membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability.

### **602 Auxiliary Organization Funds**

Hospitality expenses are allowable using auxiliary organizations funds provided the expense serves a bona fide business purpose. Auxiliary organization funds may be used to pay for alcoholic beverages, formal awards and service recognition, entertainment services, gifts, membership in social organizations and promotional items to the extent these purchases are not restricted by other applicable laws, regulations, or funding source agreements.

### **603 Sponsored Programs Administration Funds**

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

### **604 Private-Purpose Trust and Agency Funds**

Hospitality expenses serving a bona fide business purpose may be permitted to the extent these purchases are not restricted by other applicable laws, regulations, or funding source agreements.

## 700 APPROVAL OF TRANSACTIONS

- All hospitality expenses must be first approved by the appropriate division Fiscal Officer/ARM, then by the appropriate Dean or AVP. This approval cannot be delegated.
- Individuals with approval authority may not approve their own hospitality expenses and individuals may not approve hospitality expenses of their supervisor. The exception to this is approval of the President's hospitality expenditures by the University Chief Financial Officer.
- Written approval by both the respective Vice President and the University Chief Financial Officer or designee is required to purchase gift cards or other cash-equivalent awards or prizes.
- Approval by the respective AVP or VP is required for meals or light refreshments planned for employee-only meetings, events, or activities.
- Approval by the University President or designee is required for recreational, sporting or entertainment event hospitality expenses.
- Approval by the University President or designee is required for hospitality expenses for a spouse or domestic partner of an employee.
- Designees must be in managerial position or above.
- Requests for payment or reimbursement of food and beverage must include the following:
  - The type of event (business meeting, department meeting, host of official guest, employee recognition, reception, fundraising or community outreach, etc.).
  - If the meeting is reoccurring.
  - The business purpose of the 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.
  - Location and date.
  - List of attendees and their business relationship to the campus.
  - The cost of the meal per attendee.
  - For a large group where the names of attendees are unknown, a description of the group and estimated cost of the meal per attendee is sufficient.
  - A properly completed Hospitality Authorization form will indicate when a Hospitality Meal Worksheet must be completed. The Meal Worksheet is completed *after* the event and gets attached to each meal invoice/receipt.

## 800 DEFINITIONS

**Approving Authority** – A person who has Hospitality approval authority, based upon their position, as described within this policy.

**Auxiliary Organization Funds** – University auxiliary organizations are separate legal entities authorized via the Education Code to provide essential services to students and employees. Auxiliary organizations 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.

**Awards** - Given to only select recipients as an award for an exemplary accomplishment with distinct eligibility criteria that has been met.

**Designee** - a person to whom signature authority has been delegated, by the original Approving Authority. A designee may not further designate authority without first notifying the original Approving Authority. Fiscal responsibility remains

with original Approving Authority. Designees must be in managerial position or above.

**Employee Meetings** – Meetings serving a University business purpose, administrative in nature, and with a formal agenda. Examples include meetings of the Academic Senate, extended formal training sessions, conferences, extended strategic planning sessions, extended professional development sessions, and meetings of appointed workgroups and committees. Holiday season gatherings do not qualify as employee meetings and are not permitted using state funds.

**Entertainment Services** – Reasonable expenditures as part of an event including but not limited to equipment and venue rentals, décor, music, and performers.

**Entertainment event** - attendance, entry fees, or tickets to a recreational, entertainment, or sporting event.

**Food and Beverage** – The provision of meals (catered or restaurant) or light refreshments.

**Fundraising Event** – events conducted for the sole or primary purpose of raising charitable funds where participants make a charitable contribution and a purchase of fair market value of goods or services.

**Gift** - an item given to someone for appreciation, thank you, holiday, sympathy, birthday, wedding, anniversary, retirement, farewell, or any other personal milestone or life event. Examples of gifts include (but are not limited to) giving a shirt to an alum, giving a diploma frame to a graduate, giving something from the bookstore to a service provider, sending flowers to an ill co-worker, donating branded items to be used as a door prize drawing.

**Light Refreshments** – Includes non-alcoholic beverages, hors d'oeuvres or appetizers, pastries, and cookies.

**Prize** - Incentive for participation such as taking a survey, or an opportunity drawing/door prize at an event. All attendees have an equal chance. Raffles are not permitted.

**Promotional Items** - low dollar value items displaying the name, logo, or other icon identifying the University and examples include keychains, coffee mugs, stress balls, or t-shirts and their purpose is to promote the campus to prospective students. Promotional items are not to be distributed as thank you gifts or tokens of appreciation and are not to be given to employees. Prior to purchase, all items must be reviewed and approved by University Communications and Marketing (UCM).

**Raffle** - A method for the distribution of prizes among persons who have paid for a chance to win. This is considered gambling per the IRS and is not permitted using state funds.

**Social Organizations** – university clubs, athletic clubs, civic organizations and other organizations that provide a venue for members to host events or serve as a means for 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 CSUDH employee who is responsible for hosting guests at a meeting, conference, reception, activity, or other University business event.

**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, donors, candidates, students, volunteers, members of the community, or media representatives. Auxiliary employees and students attending a meeting or event in their role as student assistant employees are not official guests under this policy.

**Private-Purpose Trust and Agency Funds** - Trust or agency funds held by the University in a trustee or custodial



capacity (assets equal liabilities) on behalf of third parties and subject to applicable laws and the written agreements applicable to the funds with regard to any hospitality expenditures.

**Public Purpose** – Business purpose consistent with the mission and fiduciary responsibilities of the University.

**Retreat** - an event lasting at least 5 hours, occurring on or off-campus, where employees brainstorm, problem-solve, and team-build in a more relaxed setting. Overnight stays require VP approval.

**Sponsored Program Administration Funds** – Grants and contracts from federal, state, local government, and private sources.

**Sponsorship** – Contribution to the cost of an event in return for advertising or promoting the University. This includes the cost of purchasing a table at external events. Sponsorship is not a Hospitality expense.

**State Funds** – All monies in campus accounts (e.g., tuition and fees) and all other funds within Fund 0948 are considered State funds under this policy. This includes, but is not limited to, State University Parking Revenue Fund, State University [Health] Facilities Revenue Fund, State University Continuing Education Revenue Fund, CSU Dormitory Revenue Fund, Lottery and Miscellaneous Trust Funds subject to restrictions established for the fund.

**Student Organizations** – As defined by Student Activities Executive Order 1068, section titled “Formal Chartering and Recognition Policies.”

**Team-building activity** - an activity used to enhance the function of a team by encouraging social interaction and collaborative efforts. Elements typically include a shared goal, problem solving, and teamwork. A meal may be permitted while off-campus for a team-building activity; however, a meal alone is not a team-building activity. On-campus team-building activities should be scheduled during work hours rather than during lunch time.

**Work Location** – The campus where the individual is employed.

## **CSUDH Hospitality Policy Addendum A**

### **Maximum Per-Person Meal Expenses for Meetings & Events Attended by University Employees and Official Guests**

Effective February 21, 2024, the following are approved maximum per-person meal and light refreshment expenses that may be incurred during meetings and events attended by University employees and official University guests:

<b>Meal Type</b>	<b>Maximum Per-Person</b>
Breakfast	\$30
Lunch	\$50
Dinner	\$80
Light Refreshments	\$25

Maximum per person expenses include the total cost of food, beverages, labor, sales tax, delivery fees, tips or other service fees. Tips and gratuities may not exceed 20% of the total bill.

The maximum allowable amounts shall be reviewed and documented periodically by the Chief Financial Officer and communicated to University constituents. The maximum per-person rates allowable during meetings and events are provided as an addendum and shall remain in effect until the University Chief Financial Officer determines otherwise.