




CALIFORNIA STATE  
UNIVERSITY  
E A S T B A Y

University Executive Directive #11-02	Issue Date: May 2010
Subject: Reimbursement of Hospitality Expenses	Revision Date: April 2013
Approved:  President	
Division: Administration & Finance	
Contact: Finance 510-885-3638	

**Authority:**

This policy was developed in accordance with CSU Executive Order No. 761, Title 5 of the California Code of Regulations, the California Education Code, CSU Coded Letter HR 96-11, and the Budget Act.

POLICY FOR PAYMENT OR REIMBURSEMENT OF HOSPITALITY EXPENSES  
FROM STATE FUNDS

REVISED  
APRIL 2013

I. GENERAL

- A. This policy addresses the expenditure of state funds at CSUEB for payment or reimbursement of hospitality expenses in accordance with CSU Executive Order No. 761 (EO 761).

Expenditures of state funds for hospitality expenses shall be consistent with the mission and fiduciary responsibilities of the University. Such expenditures must serve a clear University business purpose and/or effectively promote the University to the public with no personal benefit derived by the approving official or by other University employees. Hospitality expenses shall be directly related to, or associated with, the active conduct of official University business. The expenditure of University funds for hospitality shall be cost effective and in accordance with the best use of public funds.

- B. EO 761 authorizes campus presidents to delegate approving authority for the expenditure of state funds for hospitality expenses. At CSUEB, the approving authority for the expenditure of state funds shall conform to University delegations of purchasing authority and University delegations of budgetary authority.
- C. Depending on the source of funds, hospitality expenses may include food, beverages, tobacco products, gifts, awards, promotional items, the travel expenses of guests of the University, and related expenses. Alcoholic beverages and tobacco products shall not be charged to Federal funds or to the Operating Fund. Gifts and awards shall not be charged to the Operating Fund. There shall be no payment of or reimbursement for expenses related to employee birthdays, weddings, and personal anniversaries. The sections that follow describe in greater detail the types of expenditures that are authorized for payment relative to the source of funding.
- D. State legislative Budget Act appropriation items for capital outlay shall not be utilized for the payment or reimbursement of hospitality expenses.
- E. Auxiliary organization funds may be used for payment or reimbursement of hospitality expenses but only within the restrictions established by the auxiliary organization. Auxiliary organizations are subject to the restrictions set forth in EO 761 as the restrictions relate to expenses for alcoholic beverages, tobacco products, gifts, and awards.
- F. A hospitality form must be submitted with any type of hospitality expense, and must be approved prior to the event. The hospitality form may be attached to any of the following documents: travel/employee reimbursement, check request, PO Invoice or the PCard statement.

II. TYPE OF EXPENDITURE AND AUTHORIZED FUNDING SOURCE

*Exhibit A* describes the types of expenditures that are authorized for payment from the indicated funding sources at CSUEB, subject to the indicated limitations. Refer to the Section VII, NOTES for clarifying information.

*Exhibit A*  
*Sources of State Funds for Payment of Hospitality Expenses*

Type of Hospitality Expense	Operating Fund	Special Funds and Trust Funds
Food and non-alcoholic beverages for meetings attended only by employees of the same work location	No	Yes
Food and non-alcoholic beverages for meetings attended by official guests	Yes	Yes
Tobacco products	No	No
Alcoholic beverages	No	Yes
Gifts (See Section VII, parts E and F.)	No	Yes
Awards (See Section VII, parts E and F.)	No	Yes
Promotional items	Yes	Yes
Travel expenses of guests of the university	Yes	Yes

III. REQUIRED APPROVALS

In order to utilize state funds to pay or reimburse hospitality expenses the following approvals are required.

- A. All requests for purchases and reimbursements that include hospitality related expenses shall be approved by the appropriate program administrator, or designees, using existing University business process and delegation of authority. Note to requestors: Each method of procurement (e.g., purchase orders, procurement card) and reimbursement has specific restrictions and limitations.
- B. Gifts, awards, or promotional items, regardless of value, that are provided to state employees must be reviewed in advance by the University Controller, or designees, for conformance with this policy and to determine the income tax reporting requirements
- C. Gifts, awards, or promotional items values at \$600 or more that are provided to non-employees must be reviewed in advance by the University Controller, or designees, for conformance with this policy and to determine the income tax reporting and withholding requirements, if any.
- D. Individuals shall not approve their own expenses or those of their supervisor. An exception is that the chief financial officer of the University shall have the authority to approve the expenses of executive level employees.

#### IV. EXAMPLES OF ALLOWABLE PAYMENTS

Following are examples of allowable hospitality expense transactions, depending on the funding source (see Section II, *Exhibit A*).

- A. When the University hosts official guests. Official guests may include, but are not limited to, University employees from a different campus location, employees on official visits from another CSU campus, donors, prospective donors, employees of East Bay auxiliary organizations, and members of the community.
- B. When the University is the host or sponsor of a meeting of a learned society or organization.
- C. When the University is the host or sponsor of meetings of an administrative nature that are directly concerned with the welfare of the University, *and* the provision of hospitality is a necessary and integral part of the business meeting and not solely a matter of personal convenience. An example would be staff training sessions in lecture or laboratory settings that serve a clear University business purpose.
- D. When the University hosts receptions held in connection with conferences, meetings of a learned society or organization, fundraising events, meetings of student organizations and groups, student events such as commencement exercises or meetings of other University related groups such as alumni groups.
- E. When the University hosts receptions for the benefit of the morale of University employees, University employee recognition, length of service awards, or retirement presentations.

#### V. PAYMENTS NOT PERMITTED

- A. There shall be no payment of or reimbursement for expenses related to employee birthdays, weddings, and personal anniversaries.
- B. State legislative Budget Act appropriation items for capital outlay shall not be utilized for the payment or reimbursement of hospitality expenses.

#### VI. TERMS AND DEFINITIONS

Refer to the Section VII, NOTES for clarifying information.

“University” refers to California State University, East Bay. “State funds” refers to all monetary assets payable to or in the custody of California State University, East Bay. “State employee” refers to employees of CSUEB. “CSU” refers to The California State University. “State General Fund” refers to Budget Act appropriation items for Support of the CSU that are recorded in the General Fund. “Auxiliary organization” and “auxiliary organization in good standing” refer to any non-state entity that operates in compliance with the terms of leases and operating agreements under the administration of the campus president and in conformance with the rules and policies of the CSU Board of Trustees. Other terms utilized in this policy are defined in Section VI.

*Exhibit B Definition  
of Terms*

Term	Definition
State Special Funds  State Trust Funds	Non Operating Fund monies that are received and/or disbursed via the University Accounting Office. These funds are authorized for support of activities that are supplemental to the primary mission of the University and are paid for by fees and revenues other than general tax revenues. These include, among others, externally reimbursed activities, continuing education, lottery, housing, parking, trust, and special projects funds.
Hospitality	The provision of meals, refreshments, promotional materials, gifts, awards, or reimbursement of travel expenses to official guests, to students, and to employees. Hospitality includes expenses for activities that promote the University to the public, usually with the expectation of benefits accruing directly or indirectly to the University and may include the provision of gifts, awards, and promotional materials.
Meeting	A gathering called, coordinated or facilitated by a state employee for the purpose of conducting official business, promoting the University, or otherwise carrying out the mission of the University.
Award	A gift of tangible personal property in recognition of service or achievement directly benefiting the University.
Gift	Something of value given or bestowed upon an individual, group, or entity with the expectation of benefit accruing to the university or for other occasions that serve a bona fide business purpose.
Promotional materials	A gift of tangible, personal property that is distributed to promote the name or image of the University, to provide information, to enhance University productivity, or for another such beneficial purpose. Promotional items are of minor value and often bear the logo or other identifying mark of the University. Examples include pens, folders, calendars and clothing.
Official guest	A person invited by an official host to attend a University meeting, conference or event where the host is a University employee conducting University business. A University employee from the same work location as the host may not be considered an official guest for the purposes of this policy.
Official host	A University employee who hosts a meeting, conference, or event.
Work location	The place where the major portion of a state employee's working time is spent, or the place to which the state employee returns during working hours upon completion of assignments. For East Bay, work location is defined as campus locations in Hayward, Oakland and Concord.

VII. NOTES

Additional guidelines and restrictions:

- A. Authorized fund sources may be used only to the extent not restricted by other applicable laws, regulations, agreements, campus policies or organizational policies.
- B. No alcoholic beverages may be charged to Federal funds.
- C. Federal or local government contract funds may be used to pay hospitality costs only if such expenses are specifically authorized in the contract or grant, and only to the extent and for the purposes authorized.
- D. Trust Funds and Special Project Funds may be used to pay hospitality expenses only if not prohibited by the statute under which the funds are established and maintained or any related trust agreement or special project agreement.
- E. Gifts, awards or promotional items, regardless of value, that are provided to employees must be reviewed in advance by the University Accounting Office for conformance with this policy and to determine the income tax implications, if any.
- F. Gifts, awards or promotional items valued at \$600 or more that are provided to non-employees must be reviewed in advance by the University Accounting Office for conformance with this policy and to determine the income tax implications, if any.
- G. Purchase requests, payment requests and invoices from auxiliary organizations must disclose if any of the items include alcoholic beverages, tobacco products, gifts, or awards.
- H. Hospitality expenses are subject to all purchasing rules and regulations applicable to other purchases.
- I. Reimbursement of food or catering items for use on campus shall be subject to the terms of any applicable agreements between the University and its auxiliary organizations.

Accounting. Accounting and disbursement procedures shall be established as necessary for hospitality expenses

Students. The definition of official guests in Executive Order No. 761 includes members of the community. This is interpreted to include students. The examples of permitted payment of hospitality expenses include commencement exercises and meetings of student organizations.

Employees. As indicated in Section II, *Exhibit A*, University employees may attend meetings for which hospitality is provided, but University employees of the same work location shall not be considered official guests under this policy. The examples of permitted payment of hospitality expenses include receptions for the benefit of University employee morale, for University employee recognition, for length of service awards or retirement presentations.

References:	Executive Order No. 761: Hospitality, Payment or Reimbursement of Expenses California Code of Regulations, Title 5, Division 5. Education. Sections 41600 and 41601 California Education Code. Sections 66600, 89007, 89030, 89035, 89044, and 89756. CSU Coded letter HR 96-11: CSU Policy and Procedures Governing Travel and Relocation Expense Reimbursement Budget Act. Sections 2.00 and 3.00.
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