

Cal State East Bay Hospitality Policy (CO eff. 9/14/2018)

It is the policy of the California State University (CSU) that 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**. This policy applies to activities that promote the CSU to the public and the provision of hospitality in connection with official CSU business and specifies the university and auxiliary funds that may be used for such purposes. Cal State East Bay and its auxiliaries fully adopt the CSU posted policy which may be viewed by clicking the following link:

<https://csyou.calstate.edu/Policies/icsuam/Pages/1301-00.aspx> Note that Cal State East Bay recognizes official activities as those adhering to the aforementioned criteria. In addition, approvals for Hospitality must follow the established delegation of authority and should be submitted within 30 days of event.

When determining whether a hospitality expense is appropriate, the approving authority must evaluate the importance of the event in terms of the costs that will be incurred, the benefits to be derived from such an expense, the availability of funds, and any alternatives that would be 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)**:

- CSUEB hosts or sponsors business meetings that directly correlate with the operations of the CSU;
- CSUEB hosts official guests with an interest in CSUEB;
- CSUEB is the host or sponsor of a meeting of a learned society or professional organization;
- CSUEB hosts receptions held in connection with conferences, meetings of a learned society or professional organization, meetings of student organizations and groups, student events such as commencement exercises, and events or meetings of other CSU related groups such as alumni associations;
- CSUEB hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors;
- CSUEB hosts receptions for the benefit of employee morale, employee recognition, official presentations for length or exceptional contributions of service awards, with at least 5 years of service are permissible

Hospitality Events and Employee Meetings –

Food and beverage provided to employees may be permitted when it serves a CSU business purpose. **Meetings that are carried out on a regular or frequent basis are not permitted under this policy.** Additionally, public expenditures that are driven by personal motives are an

impermissible use of public funds. Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently, are reasonable and appropriate to the business purpose. 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.

- Cal State East Bay requires that any department providing hospitality must have the expenditure approved following the established delegation of authority.
- Cal State East Bay requires that requests for vendor payment, expense reimbursement, p-card, etc. must include:
 - Descriptions of the business need
 - Descriptions of the use of purchases
 - Number of participants
 - Names and roles of participants (Required for CSUEB employees; For non-CSUEB employees, to the extent a listing is reasonable/possible).
- The allowable maximum per person rate(s) for breakfast, lunch, dinner and light refreshments inclusive of the total cost of food, beverages labor, sales tax, delivery fees or other services fees are as follows:
 - Breakfast - \$30
 - Lunch - \$45
 - Dinner - \$75
 - Light refreshment - \$20
- Per contract, the on-campus food service provider has the right of first refusal. Before incurring any catering/refreshment expense from an outside vendor, written notification from the on-campus food service provider must be obtained whenever the purchase amount exceeds the contracted threshold. Contact the Accounts Payable Department to determine current purchasing threshold limits.

Awards, Prizes and Cash Equivalents –

Defined as “something of value given or bestowed upon an individual, group, or entity in recognition of service to the university or achievement benefiting the university with the expectation of benefit accruing to the university or for other occasions that serve a bona fide business purpose.”

Cash equivalent items, such as gift cards and gift certificates, no matter how small, are always taxable to the employee as wages. A non-cash award or prize may have a taxable consequence to the employee if it does not meet the IRS definition of de minimis and infrequent. Refer to IRS for tax rules in resources and materials section. Additionally, receipt of cash equivalents or miscellaneous payments to students may impose restrictions on receipt of other financial benefit from the University or US Government funds and/or may have tax implications.

- Cal State East Bay requires that any campus department intending to provide such award, prizes or cash equivalent items must be **approved in advance** by the department approver based on delegation of authority. Supporting documentation indicating pre-approval must contain:
 - A clear description of the award program
 - Its business purpose
 - Eligibility information
 - Awards/Prizes generally not to exceed \$50.00 (per individual per event)

Due to the nature of an event, award amounts exceeding this threshold may become appropriate. Occurring infrequently, awards greater than \$50.00 must be approved by the Division VP.
 - Cash equivalents not to exceed \$25.00 (per individual per event)

A few, limited ORSP-related grant programs exceed this cash equivalent; Note that exceptions are subject to advance approval by ORSP.
 - Cash equivalents (e.g. Gift Cards and Gift Certificate) security

Cash equivalents (e.g. Gift Cards and Gift Certificates) must be stored in a secure location (e.g. locked drawer or safe) until distribution.

An ongoing inventory of issuance and distribution tracking must be maintained. Note that this ongoing Inventory Issuance Log is subject to audit and must be up-to-date at all times.
 - Receive authorization by the department approver according to the established delegation of authority
- Note that evidence of department approval, aforementioned supporting documentation and list of recipients must be provided along with any vendor payment request, expense reimbursements, etc.

Reporting Requirements:

The department approver is ultimately responsible for ensuring that the following reporting requirements are met

- **For Student cash equivalent/payments:** Their names, Net ID and amount must be reported to the Accounts Payable department utilizing the “Acknowledgement of Receipt Form” <https://www.csueastbay.edu/accounting-fiscal/files/docs/ap/ap-acknowledgement-of-receipt-form.pdf>

- **For employees for cash equivalents:** The employees' name, EMPLID and amount received must be reported to the Payroll Department, regardless of amount.
- **For employees for non-cash award or prizes:** The employees' name, EMPLID, item description and gift value received must be reported to the Payroll Department when **valued in excess of \$50.00**, in total, during a calendar year.
- **For awards/prizes/incentives associated with grants,** CSUEB Hospitality policy applies. However, ORSP should be contacted to determine any additional reporting that may be required.

State Funds –

Unless specifically authorized in the local trust agreement (LTA), State Funds have the following restrictions and uses:

- State Funds may not be used:
 - To pay for any expenditure prohibited by applicable laws, regulations, or agreements including the California Budget Act.
 - To pay for food and beverages or entertainment services that do not serve a business purpose.
 - To pay for alcoholic beverages, memberships in social organizations, or tobacco products.
- State Funds may be used:
 - To pay for awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in a research funded survey or study.
 - For employee recognition, and official presentations for length of service awards or exceptional contributions, with at least 5 years of service.
 - To pay for official employee morale-building and appreciation activities that serve a business purpose.

Note that **state funds** are those State University Trust funds (state fund 0948) that are continuously appropriated by the legislature (EC §89700-89726). These include, but are not limited to EB, PR, PE, PL, PV, PW, PU and PT funds.