



Hospitality Guidelines

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1. SCOPE

In accordance with [ICSUAM 1301.00 – Hospitality](#), California State University San Marcos (CSUSM) and its auxiliaries (Auxiliaries), unless otherwise noted and together referred to as University, govern 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 University. This policy applies 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 and serves a bona fide business purpose. The policy also addresses meals served to employees and meals provided to prospective students and employees.

Hospitality expenses may be paid to the extent that such expenses are reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University.

Hospitality expenses must be directly related to, or associated with, the active conduct of Official University business. These guidelines govern the appropriate use of CSUSM Operating Fund (485xx), state trust funds, University campus program funds, enterprise funds and CSUSM Auxiliary funds, unless legally exempted or otherwise restricted (e.g., documented trust agreements, and/or grant agreements), for the payment of hospitality-related expenses. When a University employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear University business purpose, with no personal benefit derived by the official host or other University employees. In addition, the expenditure of funds for entertainment should be cost-effective and in accordance with the best use of public funds, donor intent, as well as federal, state, and other grant guidelines.

2. DEFINITIONS

Approving Authority

A person to whom authority has been delegated in writing to approve hospitality expenses described within this policy. [See Section 11](#) for more information on approval of transactions.

Auxiliary or Auxiliaries

The recognized Auxiliary organizations at CSUSM include CSUSM Corporation, The Foundation, and Associated Students, Inc.

Auxiliary Funds

Funds maintained by each Auxiliary for its authorized business purposes and those funds managed by the Auxiliary for others.

Awards/Prizes and Service Recognition

Something of value given or bestowed upon an individual, group, or entity in recognition of service to the University or achievement benefiting the University, e.g., financial prizes, trophies, plaques. See [Awards and Prizes](#) section.

Catering Services

Catering is Defined as:

- Having food prepared and delivered to CSUSM, CSUSM Corporation, and/or affiliated or leased locations.
- Having food prepared, delivered and set-up on CSUSM, CSUSM Corporation, and/or affiliated or leased locations.
- Having food prepared, and set-up at CSUSM, CSUSM Corporation, and/or affiliated or leased locations.

Non-Catering is Defined As:

- Consumption of food and or beverages at a restaurant.
- Food purchases for consumption at events under \$250.00.
- Food purchases for consumption that are picked up from a restaurant or food venue.

Employee Meetings and Recognition Events

Meetings which serve a bona fide University business purpose and are generally administrative in nature such as employee meetings, CSU system-wide meetings of functional offices, meetings of the Academic Senate, Board of Directors, campus meetings of deans and directors, official employee morale functions, extended formal training sessions, conferences, extended strategic planning sessions, and meetings of appointed workgroups and committees. Food and beverage at meetings that are conducted on a routine or frequent basis are not permitted under this policy. 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. The meeting must be in person.

Entertainment Services

Expenditures incurred in connection with events or activities that are primarily social or recreational such as equipment and venue rental, décor, music, and performers. Service expenditures related to showcasing the talent of students or employees are considered a regular business expense and are not governed by this policy. For example, presenting a poster at Super STEM.

Fundraising Event

Events conducted for the sole or primary purpose of raising charitable funds where participants make a charitable contribution and a purchase for the fair market value of goods or services. Fundraising events may include dinners, dances, door-to-door sales of merchandise, concerts, carnivals, golf tournaments, auctions, casino nights, and similar events. Fundraising events do NOT include the following: Activities substantially related to the accomplishment of the mission of the University, including such activities that receive sponsorship, unrelated trade or business activities that generate fees for service.

Hospitality

Activities such as employee meetings, entertainment services, service recognition, and fundraising events intended to promote the mission of the University to the public with the expectation of benefits accruing directly or indirectly to the University. Hospitality expenses include but are not limited to such things as the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, and cookies), promotional items, gifts, and awards. [See list of approved caterers.](#)

Membership in Social Organizations

University clubs, athletic clubs, civic organizations, and other membership organizations that provide a venue for hosting hospitality events or a means for promoting goodwill in the community.

Memberships in business leagues, chambers of commerce, trade associations and professional organizations are considered a regular business expense and are not governed by this policy.

Official Activities

Official (employee morale or team building) Activity: The campus relies on the judgment of administrators in this area as they are most capable of assessing the benefit to the University of such expenditures. Positive employee morale is a valuable resource. Accordingly, within the constraints imposed by system policy, particularly ICSUAM 1301.00, this policy allows for expenditures supportive of employee morale (other than those previously identified as prohibited), length of service awards for employees separating with at least 5 years of service. Official campus functions, such as division meetings, campus service awards, and the President's picnic are included as they promote employee morale. Meals or light refreshments (limited to no more than twelve times per year, per group) provided in the course of an event may not exceed the maximum per person rate.

Official Host

A University or Auxiliary employee who hosts guests at a meeting, conference, reception, activity, or event for the active conduct of University business.

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, students, donors, recruitment candidates, volunteers, members of the community, or media representatives.

Participation Incentives

Incentives, in the form of promotional items and gift cards, are used to obtain participation and/or collection information from participants. This does not include food. See [Participation Incentives](#) section.

Promotional Items

Tangible items that display the name, logo or other icon identifying the University such as a keychain, coffee mug, calendar, or clothing. The value of promotional items should not exceed \$25 per person per event. See [Promotional Items](#) section.

Professional Organization Meetings and Business Meetings

Meetings held for a learned society or professional organization, meetings of student organizations, and meetings of other CSU-related groups such as alumni associations. It does not include meetings of only University or Auxiliary employees.

Sponsorship

Contribution to an event in return for promotion or advertising of the University. This includes the cost of a vendor table to promote the University.

Student Athletes

A student athlete is a student whose enrollment was solicited by a member of the athletics staff or other representative of athletics with interest towards the student's ultimate participation in the intercollegiate athletics program. Hospitality provided to student athletes and recruits must be in accordance with the rules, regulations, guidelines, standards, and procedures of the intercollegiate athletic association's national governing board (National Collegiate Athletic Association).

Spouses, Significant Others, Domestic Partners

Hospitality provided to the spouse, domestic partner or significant other of an employee might be permitted when it serves a CSU 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 payment record.

Work Location

The place where the major portion of an employee's working time is spent or the place to which the employee returns during working hours upon completion of special assignments.

TABLE 1. GENERAL EXPENSE MATRIX

GENERAL EXPENSE TYPE: CATEGORY	FUNDING SOURCE				
Expenditures/Occasions	All University CSU Trust/Operating Funds (Excluding 496)	Auxiliary Funds Must Comply with Auxiliary Procedures (85xxx per written agreement)	496 Misc. Trust Funds	Account Code	Changes
Alcoholic Beverages , including tax, gratuity, and service charges.	No	Yes ³	Per Written Agreement ⁵	660927 or 660928	
Awards/Prizes and Service Recognition (e.g., minimum 5 years of service, or awards presented during an official activity).	Yes ²	Yes	Per Written Agreement ⁵	660944	
Bereavement Gift Expenditures (e.g., flowers, plant, or card for employees or former employees).	No	Yes	Per Written Agreement ⁵	660846	
Community Relations	Yes ⁴	Yes ⁴	Per Written Agreement ⁵	Various	New category. No longer combined with Fundraising.
Donor Gifts – Gifts with the expectation of benefit or other bona fide business purpose.	No	Yes ²	Per Written Agreement ⁵	660846	
Employee Business Meetings – Meetings which serve a bona fide business purpose and are administrative in nature.	Yes ^{1,6}	Yes ¹		660927 or 660928	New Category.
Employee Morale and Official Recognition Events	Yes ^{1,6}	Yes	Per Written Agreement ⁵	660820	
Fundraising	Yes ⁴	Yes ⁴	Per Written Agreement ⁵	Various	New category. No longer combined with Community Relations.
Gifts for Personal Benefit (e.g., weddings, anniversaries, baby showers, get well, birthdays, and graduation gifts).	No	No	No	NA	

TABLE 1. GENERAL EXPENSE MATRIX (Continued)

GENERAL EXPENSE TYPE: CATEGORY	FUNDING SOURCE				
Expenditures/Occasions	All University CSU Trust/Operating Funds (excluding 496)	Auxiliary Funds Must Comply with Auxiliary Procedures (85xxx per written agreement)	496 Misc. Trust Funds	Account Code	Changes
Meals and Light Refreshments (non-alcoholic) for business meetings, events, and for employee-only meetings attended by official guests, employees from another campus, students, donors, individuals being recruited for employment, visitors, and volunteers. Meals for employees only must serve a bona fide business purpose, for example: working lunch.	Yes ^{1,6}	Yes ¹	Per Written Agreement ⁵	660927 or 660928	Combined meal category for all allowable events. There is no longer a distinction between the meal type. The distinction is made by the attendee type.
Memberships in Social Organizations (e.g., University clubs, civic organizations).	No	Yes	Per Written Agreement ⁵	660820	
Participation Incentives – research-funded survey or study, student participation in events.	Yes	Yes	Per Written Agreement ⁵	660962	
Participation Incentives – other (Auxiliary funding only).	No	Yes ²	Per Written Agreement ⁵	660945	Account code change.
Professional Meeting, Business Meeting, Conference or Reception - Meetings or receptions of learned society or professional organization and meetings of other CSU-related groups. It does not include meetings or conferences of University-only or Auxiliary employees.	Yes	Yes	Per Written Agreement ⁵	Various	New category. Combined categories for Professional Meetings and Receptions.
Promotional Items (when the occasion is appropriate)	Yes ⁶	Yes	Per Written Agreement ⁵	660962	
Recreational and Sporting Events - (Athletics only).	Yes	Yes	Per Written Agreement ⁵	Various	New category that replaces Entertainment Events.
Student recruitment, student engagement, student recognition events - (subject to related policies/procedures such as the gift card purchasing procedures or student payment policy). Graduation gifts are not permissible.	Yes	Yes	Per Written Agreement ⁵	Various	

TABLE 1. GENERAL EXPENSE MATRIX (Continued)

Foot Notes:

- ¹ Meals or light refreshments provided to employees may be permitted if the meal is integral to the business function, infrequent and modest. Meals or light refreshments (limited to no more than 12 times per year, per group) provided during an event may not exceed the maximum per person rate for breakfast (\$35), lunch (\$50), dinner (\$75) and light refreshments (\$60). These rates are inclusive of food, beverages, labor, sales tax, delivery fees, other service fees and gratuity (20% maximum).
- ² Cash and cash equivalent items such as a gift card and gift certificate, no matter how small, are **always taxable to the employee**. 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](#). Monetary awards paid to employees or student assistants must be made through Payroll.
- ³ Alcohol purchases for on campus events must follow the CSUSM Alcohol Use Policy. An Alcohol Approval Form must be submitted in addition to the Hospitality Form. Alcohol purchases for off-campus events must have a special circumstance approval . Please follow the Hospitality Guidelines for special circumstance approval.
- ⁴ Payment or reimbursement for attendance at a community relations activity or fundraising event must include documentation of the individual names, affiliations, and direct or indirect benefit(s) to the CSU to be derived from the expense.
- ⁵ Expense must be consistent with the original intent of the funding sources (revenue) as documented in the trust.
- ⁶ For public relations considerations, consider using Auxiliary funding sources for employee items/events.

Account Codes

- 660944 – Other Awards/Honors
- 660927 – Other Catering
- 660820 – Other Hospitality
- 660945 – Other Incentives
- 660928 – Other Non-Catering Food
- 660962 – Promo Items
- 660846 – SupSrv Gifts and Acknowledgements

3. UNALLOWABLE EXPENDITURES

Hospitality expenses that are of a personal nature and not related to the active conduct of official CSU business will not be paid or reimbursed. 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 include, but are not limited to, holiday/retirement/farewell parties (less than 5 years of service), employee birthdays, weddings, anniversaries, and baby showers.

Under Internal Revenue Service regulations, an entertainment (hospitality) expense will be considered taxable income to an employee if:

- The entertainment (hospitality) activity is not directly related to the employee's job,
- The expense is lavish or extravagant under the circumstances,
- The official host or another University employee is not present when the activity takes place,
- The expense is not substantiated with appropriate supporting documentation,
- Business meals with faculty, staff, or other colleagues that are frequent (e.g., that occur on a regular or routine basis) and are reciprocal.

The above types of expenses are not allowable under this policy.

4. BLANKET HOSPITALITY FORMS

Blanket hospitality forms may be issued on a case-by-case basis and must be pre-approved by the CSUSM Controller for State and Foundation funds and the CSUSM Corporation Executive Director for Corporation funds.

Blanket hospitality forms are meant for hospitality transactions where little, or no value can be added by processing the transaction for each event. The following procedures shall be observed in administering blanket hospitality forms:

- The blanket hospitality must be specific to a set of recurring events, rather than a general department/annual approval.
- Blanket approvals may be approved for the Emergency Operations Center activities. EOC blankets may only be requested by those with delegated authority.
- All required supporting documentation must be submitted with the payment method, including a copy of the blanket hospitality form for each expense.
- Blanket approval may not exceed one year and should not cross fiscal years.

5. FOOD AND BEVERAGE PER PERSON LIMITS

Meals or light refreshments provided to employees or in the course of a business meeting may be permitted if the meal is integral to the business function, infrequent and modest. The cost of meals is expected to meet the average per person limits and is limited to no more than twelve times per year, per group. The per-person limit may be exceeded with a submitter certification the expense is for development purposes, stating the business purpose is "Gifts with the expectation of benefit" (aka

donor-related events) and acknowledge the per person limit overage, so the approver will also acknowledge it when approving.

TABLE 2. FOOD AND BEVERAGE PER PERSON LIMITS

Hospitality	Sub-category	Maximum Per Person per day ¹
Food and Beverage (Includes catering, labor, sales tax, delivery fees, and other service fees)	Breakfast	\$35
	Lunch	\$50
	Dinner	\$75
	Light Refreshments ²	\$60

¹ Per person limits include food, beverages, labor, sales tax, delivery fees, other service fees and gratuity (20% maximum). The reimbursement for a buffet reception cannot exceed the applicable meal allowance associated with the type of buffet (e.g., breakfast, lunch, or dinner).

² Light refreshments include coffee and other beverages, snacks, hors d’oeuvres, pastries, cookies, crackers, chips, fruit, etc.

6. AWARDS AND PRIZES

Student Awards must be given as part of a documented campus award program. Awards and prizes to students must be in accordance with the [CSUSM Payments to Students - Guidelines and Procedures](#). Stateside funds may be used to pay for awards and prizes to students for excellence and to participate in a research-funded survey or study. If the award is restricted to use towards educational expenses, it is the responsibility of the department conferring the award or prize to notify the Financial Aid Office of cash and cash-equivalent awards provided to students, including the student identification number of award recipients. For student awards that will not be considered Financial Aid, it will be processed as a direct pay. A non-cash award or prize may have a taxable consequence to the student if it does not meet the IRS definition of de minimis and infrequent. [Refer to IRS for tax rules in resources and materials section](#). The award program must be published on the University’s website.

Examples of student awards include the six Dean’s Awards as follows: College of Education, Health & Human Services; College of Arts, Behavioral and Social Sciences; College of Business Administration; College of Science, Technology, Engineering & Mathematics; Graduate Studies; and the Student Leadership Award selected by the Dean of Students as well as the President’s Outstanding Graduate Award.

Payments to students that do not qualify as an award include payments that are solely for personal benefit and there is no expected benefit to the University. Examples includes reimbursement or any payment of testing fees or payment for classes not offered by CSU San Marcos.

Employees Awards must be given as part of a documented campus award program. Stateside funds may be used to pay for awards and prizes for exceptional contributions and to participate in a research-funded survey or study. Awards for these programs must be presented to employees on a basis that does not discriminate in favor of highly compensated employees. Employee awards are meant to be occasional

and, therefore, must be presented to an employee on an infrequent basis. The amount of the award should be defined in each award program. The award program must be published on the University's website. An award program may be established to the extent that such expenses serve a purpose consistent with the mission and fiduciary responsibilities of the CSU and aligns with IRS regulations. Cash and 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.](#)

The hospitality form/supporting documentation shall document the award program, including eligible awards and per person limits.

Examples of established employee award programs are those listed on the Office of the President award website and include The Brakebill Award, Ernest & Leslie Zomalt Service Award, Employee of the Year Award, Inclusive Excellence and Diversity Award, Outstanding Faculty Awards. Divisions may also establish individual programs as approved by the Provost or Division Vice President such as the Kerri Mowen Excellence in Faculty Mentoring Award.

Prior to completing a Hospitality Form and announcing awards, confirm with Payroll Services that the award program is allowable. Request approval from Payroll Services by emailing a link to the award program website that includes a description of the program and award amount. Payroll will then confirm the allowability of the award with the Chancellor's Office.

Once Payroll has confirmed the allowability of the award with the Chancellor's office and with the department, please contact Human Resources or Faculty Affairs to assist with the payment process.

Note: If approved funding source does not reside in the business unit disbursing the award, an Inter-Unit Billing Journal Form may be completed to reimburse the entity providing the award to the employee. This form may be found on the [Fiscal Services webpage](#).

7. PARTICIPATION INCENTIVES

Incentives, in the form of promotional items and gift cards, are used to obtain participation and/or collection information from participants. **These incentives are subject to Internal Revenue tax laws** and there are specific rules that must be followed in order for the CSU to remain in compliance. Promotional items and gift cards are for the sole purpose of participant payments and cannot be used to pay trade suppliers for goods and/or services received and/or rendered or pay any type of wages for services rendered. Food items are not considered participation incentives.

Participation incentives may be issued under the following procedures:

- Participation incentives should not be less than \$10 and not exceed a value of \$50 (for grants, please see below).
- Use of promotional items such as a keychain, coffee mug, calendar, or clothing as a participant incentive is encouraged.

- Alternatively, gift cards or certificates redeemable for a specific item of property or merchandise, may be used. [Refer to Gift Card Purchasing Procedures.](#)
- Participation incentives (reportable) paid to non-resident aliens should be paid via check as they will need to be evaluated for tax purposes.

Participant incentive payments awarded to students (participating in non-grant related research), that are greater than \$100, will be reported to Financial Aid per Title 5, California Code of Regulations, and Section 42500 (d). Refer to the [CSUSM Payments to Students - Guidelines and Procedures](#). Additionally, any non-student or non-employee individual participant that receives \$600 or more of incentive payments/gifts or other income in a calendar year must be reported to the IRS on Form 1099.

CSUSM Corporation Research Participation Incentives

Sponsored projects may provide research incentive payments to individuals or human subjects that are participating in research. These incentives must follow the [CSUSM Corporation Research Incentive Payments Policy](#).

Email sponsoredprojects@csusm.edu for questions about CSUSM Corporation Sponsored Projects grant research incentives.

8. GIFTS CARDS

The use of gift cards must comply with the mission of the University and adhere to all University policies and procedures. The use of gift cards/cash equivalents should only be considered when no other option is viable, should be infrequent, and conservative in value. Only one gift card can be awarded to a recipient per event/activity. As cash-equivalent instruments, gift cards are governed by tax rules and internal control requirements. These rules and requirements must be followed and communicated to those involved before purchase or distribution of any gift cards.

Requesters will be required to complete a hospitality form. The gift card supplier, the denomination of each gift card, and the number of gift cards being purchased must be attached to the hospitality form. Gift card logs and acknowledgement forms for employees are the responsibility of the department purchasing the gift cards. Gift cards that will be purchased using a CSUSM Corporation ProCard must follow the gift card purchasing procedures for Corporation. For gift cards for CSUSM Corporation Research Participation Incentives with an approved Institutional Review Board (IRB) protocol, a hospitality form is not required, please refer to the [CSUSM Corporation Gift Card Purchasing Procedures](#) for more information.

Refer to the following [CSUSM Gift Card Purchasing Procedures](#) for additional guidance.

Gift certificates under \$10 should not be purchased because under California law, gift cards or certificates with a face value of less than \$10 must be redeemable in cash (Section 1749.5 of the Civil Code).

9. PROMOTIONAL ITEMS

Promotional items to non-employees

Reasonable gifts made on behalf of the University to non-employees and outside organizations are allowed when the gift benefits the University, supports a University business purpose, and fulfills the mission of the University.

The business reason for issuing the promotional item must be documented in writing. In most cases, the promotion of goodwill in the University community is not an acceptable business purpose. The cost of such gifts must be reasonable in relation to the actual or expected benefits. Examples of individuals and organizations that may be presented an award or gift on behalf of CSUSM include: a visiting dignitary or scholar, a donor or potential donor, a civic or cultural organization or a member of the local community. Awards and gifts cannot be used to pay suppliers for goods and/or services received/rendered.

There are no reporting requirements for promotional items to non-employees, however, the cumulative amount of gifts/promotional items may not exceed \$600 in a calendar year.

For a promotional drawing where a non-employee wins a promotional item, it only needs to be reported to Accounts Payable if the value of the gift is greater than \$600 and we would need to collect tax information from the individual.

Promotional items to employees

As a general rule, *Promotional Items* under \$25, may be purchased with Auxiliary funds and these items would not be taxable, as they are de minimis to the recipient. (In determining whether a benefit is de minimis, you should always consider its frequency and value. An essential element of a de minimis benefit is that it is occasional or infrequent. It also must not be a form of disguised compensation.) Employees receiving over \$50 (excluding tax and shipping) in value will be reported as taxable income and therefore not compliant with this policy.

10. HOSPITALITY EXPENSES DURING TRAVEL

Hospitality activity and expenses while on travel status must be in accordance with hospitality policy and guidelines. Reimbursement is made through the Travel Reimbursement process and categorized as hospitality.

11. APPROVALS AND SUPPORTING DOCUMENTATION

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.

Individuals with delegated approval authority may not approve their own expenses, and individuals may not approve the expenses of their supervisor. For example, **the Hospitality Level I or Level II approving authority may not also be the employee being reimbursed via Direct Pay.**

The exception is the approval of the President’s and PAT members’ expenditures by the Chief Financial Officer. The approval of the Chief Financial Officer’s expenditures will be by the President’s Chief of Staff.

TABLE 3. APPROVALS

Hospitality Approvals*	Comments
Fiscal Authority Principal Investigator or Designee (For 85XXX projects only)	Assigned according to funding source.
Level I Approving Authority	Required for total hospitality of \$500.00 or less. (See Table 5: Hospitality Matrix for Approvers, Page 15.)
Level II Approving Authority	Required on total hospitality of \$500.01 or more. (See Table 5: Hospitality Matrix for Approvers, Page 15.)
Corporation Funded Projects	Office of Sponsored Projects (for 85XXX projects). Finance Director or Designee (for 81XXX and 86XXX projects).
Blanket Hospitality	(See Table 5: Hospitality Matrix for Approvers, Page 15.)
If “Special Circumstances”	PAT Member ¹

***If the approver meets two or more of the approver lines, put their name in the most stringent field**

¹The President's Administrative Team (PAT) is comprised of the senior management team of the University as listed below:

- Provost & Vice President for Academic Affairs
- Vice President for University Advancement
- Vice President, Finance & Administrative Services and Chief Financial Officer
- Vice President for Student Affairs
- Chief of Staff
- Chief Community Engagement Officer
- Chief Communications Officer
- Chief Diversity Officer

TABLE 4. SUPPORTING DOCUMENTATION

The type of supporting documentation required will depend on the event type.

Event Type	Supporting Documentation
Meeting and Workshop	Agenda/Event Outline Roster Catering Quote (follow catering guidelines) Cost per person must include food, beverage, service charges, tax, and gratuity (20% maximum).
Student Engagement	Event Flyer/Invitation Event Outline Catering Quote (follow catering guidelines) Cost per person must include food, beverage, service charges, tax, and gratuity (20% maximum).
Participation Incentives (Research) and Student Participation in Events	Approved Institutional Review Board (IRB) for research projects (if applicable). Gift card supplier, # of gift cards, and denomination if gift cards are given. If promotional item (supplier quote, and First Right of Refusal from Bookstore if applicable).
Participation Incentives (Other) - Auxiliary Funding Only	Gift card supplier, # of gift cards, and denomination. If promotional item (supplier quote and First Right of Refusal from Bookstore if applicable).
Promotional Items	Supplier quote for the promotional item being given away. Number of items being purchased. Cost per item being purchased. First Right of Refusal from Bookstore if not purchased from Bookstore.
Awards and Prizes	Documentation of award program (published on CSUSM website). Length of Service of 5 or more years (documented statement). Quote for award being given. First Right of Refusal if not purchased from Bookstore.
Blanket Hospitality	The same supporting documentation is required on a blanket hospitality and will depend on the events that are part of your blanket request.

TABLE 5. HOSPITALITY MATRIX FOR APPROVERS

Unit	Level I Approving Authority	Level II Approving Authority	¹ Special Circumstances regardless of \$ amount	Blanket Hospitality
Office of the Provost	Provost	Provost	Provost	CSUSM University Controller for State/Foundation Funds or CSUSM Executive Director for CSUSM Corporation Funds
Faculty Affairs	AVP	Provost	Provost	
Academic Senate	Provost	Provost	Provost	
Planning and Academic Resources	Vice Provost	Vice Provost	Provost	
Graduate Studies and Research	Dean	Vice Provost	Provost	
Undergraduate/First Year Programs	Dean	Vice Provost	Provost	
Academic Programs	Dean	Vice Provost	Provost	
Faculty Center	Vice Provost	Vice Provost	Provost	
Unit	Level I Approving Authority	Level II Approving Authority	¹ Special Circumstances regardless of \$ amount	Blanket Hospitality
College of Education, Health, and Human Services	Associate Dean or Dean	Dean	Provost	
College of Humanities, Arts, Behavioral and Social Sciences	Associate Dean or Dean	Dean	Provost	
College of Business Administration	Associate Dean or Dean	Dean	Provost	
College of Science, Technology, Engineering & Mathematics	Associate Dean or Dean	Dean	Provost	
Extended Learning	Associate Dean or Dean	Dean	Provost	
Library	Associate Dean or Dean	Dean	Provost	
All other Divisions	AVP/Director	PAT Member	PAT Member	
PAT Member Hospitality ²	PAT Member	VP FAS	VP FAS	
CSUSM Corporation (85xxx projects)	Not Required	Not Required	Not Required	
CSUSM Corporation (81xxx and 86xxx projects)	Director	Executive Director	PAT Member	

¹ Special Circumstances:

- Recreational and sporting events.
- Alcohol, regardless of the total expense
- A spouse or domestic partner of an employee

² VP FAS hospitality will be approved by the President’s Chief of Staff.

TABLE 6: ROLES AND RESPONSIBILITIES

Role		Responsibility
Requestor Submitter		<ul style="list-style-type: none"> • Certifies expenses are necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University. • Confirms the expense is allowable per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures, and guidelines. • Attaches required supporting documentation. Refer to Table 4. Supporting Documentation for required attachments (Page 14). • Confirms appropriate approving authorities are in the routing workflow.
Approving Authority	Fiscal Authority or Principal Investigator or designee (for 85xxx projects only)	<ul style="list-style-type: none"> • Ensures funding is available. For 85xxx, ensures business purpose meets objectives of the sponsored project scope.
	Level I and Level II Approving Authority	<ul style="list-style-type: none"> • Further substantiates expenses are necessary, appropriate to the occasion, official activities, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University. • Confirms the expense is allowable per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures, and guidelines. • Confirms appropriate approvers are in the routing.
	Corporation Funded Projects: Office of Sponsored Projects (for 85xxx projects) or Finance Director or Designee (for 81xxx and 86xxx projects)	<ul style="list-style-type: none"> • Confirms funding is available and expense is allowed per the award/program terms and conditions and other applicable regulations.
	All involved in the review or approval routing.	<ul style="list-style-type: none"> • Approves/denies the Hospitality form in a timely manner. Denies requests not directly related to official University business.
Accounts Payable		<ul style="list-style-type: none"> • Reviews for compliance with CSU Hospitality Policy and CSUSM Hospitality Guidelines. • Verifies appropriate approvers and fiscal authority (per CSUSM Hospitality Guidelines – verifies highest level of responsibility). • Ensures appropriate supporting documentation is submitted. • Ensures the Blanket Hospitality form submitted is an appropriate use of blanket form.
Travel Office		<ul style="list-style-type: none"> • Reconciles expenses with Travel Claim.

12. PAYMENT OR REIMBURSEMENT

Approved hospitality expenses may be paid via approved [ProCard](#) (encouraged option), purchase order or [Direct Pay](#). Include approved hospitality and supporting documentation with payment request/ProCard reconciliation.

Required supporting documentation:

- Approved [Hospitality Form](#), and applicable [supporting documentation](#)
- Itemized Receipts

13. RESOURCES

- [California State University Hospitality Policy](#)
- [CSUSM Corporation Hospitality Policy](#)
- [Direct Pay Form](#)
- [CSUSM Payments to Students - Guidelines and Procedures](#)
- [CSUSM Public Relations Policy](#)
- [CSUSM Approved Caterers](#)
- [CSUSM Gift Card Procedures](#)
- [CSUSM Gift Card Purchasing Procedures](#)
- IRS Employee Tax Guide to Fringe Benefits [IRS Publication 5137](#), Fringe Benefits guide, section 16, beginning on page 67.

APPENDIX A: FAQs

- 1. Our department needs to hold a meeting which is administrative in nature and the meal is a necessary and integral part of the business meeting. Is that allowable?**

Answer: This activity falls under "Meals and Light Refreshments (non-alcoholic) for business meetings and events attended ONLY by employees of the same work location where the participants are required to work through the meal period (campus)" and is permitted if the meal is integral to the business function, infrequent and modest. Meals or light refreshments (limited to no more than 12 times per year, per group) provided in the course of an event may not exceed the maximum per person rate for breakfast (\$35), lunch (\$50), dinner (\$75) and light refreshments (\$60). These rates are inclusive of food, beverages, labor, sales tax, delivery fees, other service fees and gratuity (20% maximum).

- 2. Does "light refreshment" include hors d'oeuvres?**

Answer: Yes.

- 3. Which category would I use for a faculty/staff social event with a business purpose, or "Faculty/staff picnics & holiday gatherings with business purpose?"**

Answer: Recognition Events including employee morale functions (must serve a bona fide business purpose).

- 4. We have a recruitment interview, where the panel will be required to stay in the room all day. Is providing lunch allowable?**

Answer: Yes, this activity falls under "Meals and Light Refreshments (non-alcoholic) for business meetings and events attended ONLY by employees of the same work location where the participants are required to work through the meal period (campus)" and is permitted if the meal is integral to the business function, infrequent and modest. Meals or light refreshments (limited to no more than twelve times per year, per group) provided in the course of an event may not exceed the maximum per person rate for breakfast (\$35), lunch (\$50), dinner (\$75) and light refreshments (\$60). These rates are inclusive of food, beverages, labor, sales tax, delivery fees, other service fees and gratuity (20% maximum).

- 5. Can I send gifts or flowers?**

Answer: To employees, no. For non-employees, and for state funds, typically, no. Gifts or flowers are not permissible when there is solely a personal benefit. There may be justification if the intended business purpose complies with campus, CSU, IRS, and Government Code restrictions. Gifts or flowers may be permissible with Auxiliary funds. See [Table 1. General Expense Matrix](#).

- 6. I would like to meet with my colleague over lunch to discuss a business topic, can I be reimbursed?**

Answer: Reimbursement for meals is not permissible when there is solely a personal benefit. In general, business meetings with individual colleagues are not permitted when the meeting can take place during business hours.

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

Answer: Meals and light refreshments for business meetings and events attended only by employees of the same work location are permissible *if* the participants are required to work through the meal period. Meals and light refreshments for business meetings attended by official guests can be permissible.

8. Can I use state funds to have a retirement party?

Answer: Parties are not allowable with state funds. An employee can be recognized and issued an award for their service – minimum of 5 years. For Auxiliary funds, see [Table 1. General Expense Matrix](#).

9. For employee morale purposes, I would like to use state funds to provide a departmental welcome breakfast each time we bring on a new employee. Is this permitted?

Answer: Public expenditures that are driven solely by personal motives are not permissible with state funds.

10. I would like to purchase coffee and water for my department to consume. Is that allowable with state funds?

Answer: Refreshments solely for personal use are not permitted with state funds. This may be allowable for areas who host suppliers, donors, etc., on a regular basis. For Auxiliary funds, see [Table 1. General Expense Matrix](#).

11. What examples would NOT be permissible with state funds?

Answer:

- a. Gift cards, flowers, non-cash gifts as a thank you to consultants, guest speakers, etc.
- b. Gifts for employee birthdays, weddings, baby showers, etc.
- c. Farewell gatherings and retirement parties.
- d. Bereavement or sympathy gifts.

For Auxiliary funds, see [Table 1. General Expense Matrix](#).

12. Events and Conference Services is managing my event. Who completes the hospitality forms?

Answer: The hospitality form is the responsibility of each department. Each department is responsible for providing what budget accounts they will be using for food and are accountable for all applicable guidelines pertaining to their budget or special project.

13. We want to donate to a local non-profit organization and wonder if this is an allowable expense.

Answer: This is not an allowable Hospitality expense.

Excerpt from CSU Policy. *"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."*

14. My event is already approved, but my headcount has increased. My actual costs will be more than initially estimated. Do I have to submit another Hospitality form?

Answer: Only if the increased headcount causes your price per person cost to increase. If you are adding additional services that were not included on the original Hospitality form, then a new Hospitality form is in order

15. Should my blanket Hospitality form include totals?

Answer: Yes, even though you may not have finalized costs you have estimated costs and a budget. Every effort should be made to show how the budget associated with your Blanket Hospitality will be utilized.

16. Are we allowed to purchase graduation stoles/sashes, cords, or medallions for students, and are they considered Hospitality?

Answer: If the item(s) is given only to select students as an award for an exemplary accomplishment with **specific eligibility criteria** (honors, participation/completion of specialized programming), it is an allowable Hospitality, and a Hospitality form is needed. **(Simply graduating is not considered an exemplary accomplishment in this case.)**

If the item(s) is given to all students (**no particular accomplishment - simply graduating does not count**) and the students paid a fee that includes a cord or sash, it is allowable and considered a program expense/fee. This is not a Hospitality expense; therefore, a Hospitality form is not needed.

If the item(s) is given to all students (**no particular accomplishment - simply graduating does not count**) and the students **DID NOT** pay a fee that includes a cord or sash, it is considered a gift and gifts using state funds are not permissible.

17. I understood the first right of refusal for the bookstore applies to items with a CSUSM logo. Is that still the only condition?

Answer: It applies not only to logo items but anything with CSUSM lettering and anything that implies association with CSUSM.

18. How do I calculate the cost per person for the meal I am providing at my event?

Answer: The per person cost for a meal should include food, beverage, service charges, tax, and gratuity divided by the number of anticipated participants.

19. Are faculty allowed to rent or purchase Regalia for graduation and if so, is a Hospitality form required?

Answer: A department may rent regalia if it is a requirement that a faculty wear regalia as part of a University Event, e.g., Commencement. The University bookstore has the First Right of Refusal for renting faculty regalia. If the University bookstore is not able to fulfill the request a First Right of Refusal is required before renting faculty regalia from a different source. No Hospitality form is required. The University may not reimburse faculty in part or in full for the purchase of regalia that becomes the personal property of the faculty. It is considered a gift of state funds, and gifts using state funds are not permissible. [CSUSM Regalia Website](#)

20. I have a workshop/training that will take place over several non-consecutive days. Is this considered a blanket hospitality event or a single hospitality event?

Answer: This is considered a single hospitality event since it is a continuation of your original event and not a completely new event.

21. We are doing a faculty search to fill a vacancy within our department. The interviews for this position will take place over several days with several candidates. Do I need to do a blanket hospitality for this event?

Answer: Faculty/staff searches that take place over multiple days with multiple candidates are considered one event as long as the search is to fill a single vacancy.

22. What is the difference between a donation and a sponsorship?

Answer: A donation and a sponsorship are two different things:

- a. Donations are considered a gift of public funds, with nothing received in return, thus not allowable using state funds.
- b. Sponsorship always has benefits to the campus – like advertising in a program, during a presentation, or a logo on banners, etc. Sponsorship is allowable using State funds.
 - A sponsorship is a contribution to the cost of an event in return for advertising or promoting the University. This includes the cost of a vendor table at external events.
 - All sponsorship payments must include as backup a document from the vendor or from their website showing the requested sponsorship level and the benefits to be received.
 - Additionally, a sponsorship payment that includes attendance at a community relations activity or fundraising event is considered Hospitality and must include documentation of the individual names, affiliations, and direct or indirect benefit to the University to be derived from the expense on the Hospitality form.

23. Are campus departments able to pay for Extended Learning classes (professional development) for students using Stateside operational funds?

Answer: This would be considered a scholarship and Stateside operational funds may not be used for scholarships. Financial Aid would need to be consulted to see if this is something that could be done using either Corporation or Foundation funding.

APPENDIX B: HOSPITALITY EXAMPLES

Following are examples of situations that meet the guideline requirements:

1. **Donor Cultivation and Appreciation** – When the University hosts an event for the purpose of generating the goodwill of alumni, donors and prospective donors, the cost of meals or light refreshments may be reimbursed.
2. **Meetings of an Administrative Nature** - When meetings of an administrative nature that are directly concerned with the welfare of the University are held, the cost of meals or light refreshments may be reimbursed. These may include CSU systemwide meetings of functional offices, Board of Director’s meetings, meetings of the Academic Senate, extended formal training sessions, conferences, and/or meetings of appointed workgroups and committees. Strategic Planning events must have an agenda, purpose, and deliverables.
 - a. No reimbursement will be allowed when two or more employees from the same work location choose to go to lunch together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during normal working hours.
 - b. On rare occasions, meals may be provided to certain employees during work hours as a non-taxable benefit. For example, a meal may be provided when an employee is required to stay on premises during his or her entire work shift either because the person is required to work during that period or is on-call.
3. **State-Supported Events** - The cost of light refreshments may be reimbursed for state-supported events only when the meal is “essential” to the business objective, as defined above (section 2- b). Examples may include receptions held in connection with conferences, the launch of a campus initiative, systemwide training and fundraising events.
4. **Employee Recognition** - includes length of service awards presentations - When an individual has achieved a superior accomplishment (a team implemented a new program, a director led an initiative to great success, or 5-, 10-, 15-year Service Awards), the cost of light refreshments may be reimbursed.
5. **Employee Morale** – University may pay for or reimburse costs associated with official employee morale-building and appreciation activities that serve a business purpose. Under no circumstances may University funds be used for occasions such as employee birthdays, weddings, anniversaries, holiday gifts, or other occasions of a personal nature. Examples include the President’s Picnic and Division Functions.

6. **Awards:** Examples of established award programs are CSUSM Employee of the Month, Brakebill, Ernest & Leslie Zomalt Service Award, Kerri Mowen, etc.

Examples of Unallowable Awards and Gifts

- Gift cards/Cash equivalents for services.
- Recreation memberships.
- Season tickets to sporting or cultural events.
- Gifts provided to employees in connection with birthdays, weddings, anniversaries, holidays, farewells, graduations, and other occasions of a personal nature.
- To pay for food and beverages or entertainment services that do not serve a bona fide business purpose.

Examples of expenditures that are not considered Hospitality and do not require a Hospitality Form:

- **Integral Grant Expenditures** - Expenditures for food and related items integral to a grant, e.g., a training grant that includes lunch for students or a "food bank" type of operation, are not hospitality expenditures.
- **Supplies** - Expenditures for items such as water, paper products, etc. for outside visitors are exempt from this policy. These items are considered supply-related expenditures.
- Research Incentives for Sponsored Projects
- For gift cards for CSUSM Corporation Research Participation Incentives, a hospitality form is not required, please refer to the [CSUSM Corporation Research Incentive Payments Policy](#) and the [CSUSM Corporation Gift Card Purchasing Procedures](#) for more information.