



Campus Hospitality Procedure		No.:	Hospitality2021.12.16
		Effective:	01/18/2022
Written by: Garren Fisher <i>GF</i>	Reviewed: <i>[Signature]</i>	Approved:	<i>[Signature]</i> <small>Ben Nelson Jan 18, 2022 14:50 PST</small>
Revised By:	Revision On:	Approved:	

POLICY

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.

PROCEDURE

California State University, Monterey Bay (CSUMB) fully adopts the CSU posted policy which may be viewed by clicking the following link: <https://calstate.policystat.com/policy/8543178/latest/>

CSUMB 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):

- CSUMB hosts or sponsors business meetings that directly correlate with the operations of the CSU;
- CSUMB hosts official guests with an interest in CSUMB;
- CSUMB is the host or sponsor of a meeting of a learned society or professional organization;
- CSUMB 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;
- CSUMB hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors;
- CSUMB 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



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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.

CSUMB requires that any department providing hospitality must have the expenditure approved following the established delegation of authority.

CSUMB 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 CSUMB employees; For non-CSUMB 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 - \$30

Per contract, the on-campus food service provider has the right of first refusal. Before incurring any catering expense from an outside vendor, the “request for authorization to sell or serve foods on campus” form must be completed.

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.

CSUMB requires that any campus department intending to provide such award, prize, or cash equivalent item must have advance approval by the Director of Accounting. Awards/Prizes generally are not to exceed \$50.00 per individual per event. Due to the nature of an event, award amounts exceeding this



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threshold may become appropriate. Occurring infrequently, awards greater than \$50.00 must be approved by the Division VP. Please see CSUMB’s Gift Card Procedure for further guidance on gift cards.

State Funds

Unless specifically authorized in the local trust agreement, 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 and is approved following the established delegation of authority

Note that state funds are those State University Trust funds (state fund 0948) that are continuously appropriated by the legislature (EC §89700-89726).


Approval of transactions

CSUMB requires that any department providing hospitality must have the expenditure approved following the established delegation of authority. Please see the Delegation of Authority procedure for further guidance.

As noted above, providing an award, prize, or cash equivalent item must have advance approval by the Director of Accounting. Awards/Prizes generally are 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. Please see CSUMB’s Gift Card Procedure for further guidance on gift cards.

Signature: 

Email: gfisher@csumb.edu

Signature: 

Email: ldowney@csumb.edu