I. Introduction

Title 5, California Code of Regulations, Section 42502(i) requires that each campus develop a policy on the accumulation and use of public relation funds. This policy should include “the policy and procedure on solicitation of funds, source of funds, amounts, and purpose for which the funds will be used, allowable expenditures, and procedures of control.”

Executive Order 761 from the Office of the Chancellor requires that each campus develop written policies and procedures regarding hospitality expenses.

II. Policy

In accordance with Title 5, California Code of Regulations, Section 42502(i), the Board of Directors of the University Corporation at Monterey Bay (“University Corporation”) must approve public relations/hospitality expenses made by the University Corporation to augment state appropriations for public relations.

As public understanding and goodwill materially affect the success of the University and its auxiliary organizations, the University Corporation is deemed an appropriate source of limited funds for public relations/hospitality purposes subject to proper procedures.

III. Terms and Definitions

Terms used herein are defined in EO 761, Hospitality, Payment or Reimbursement of Expenses with the exception of “public relations”, which is not defined in EO 761. For the purposes of this policy, “public relations” is synonymous with “hospitality”.

IV. Policy Guidelines

A. Solicitation and Source of Funds: During the annual budget request process, Community Outreach funds (“Fund”) are budgeted. The University Corporation Board of Directors approves the annual budget request. The breakdown of Community Outreach funds is at the President’s discretion.

The amount budgeted for the Fund may be increased by contributions from individuals, corporations, or other donors who wish to support the University. Such donations must be specifically designated for the Fund and may be further
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designated within the Fund for Academic Affairs, Administration and Finance, Student Affairs, University Advancement, President’s Office, or Campus-wide.

B. Use of Funds: The Fund may be used for activities that promote the University to the public as well as activities that may engender financial or other support to the University. The Fund allows University officials to host guests such as student groups, community members, individuals, and organizations that are interested in supporting the University. The Fund may also be used for materials that are distributed to promote the name or image of the University, to provide information about the University, or to enhance University productivity.

C. Allowable Expenditures: The Fund may be used for the following expenses:

1. Food and beverages for meetings attended only by employees of the same work location
2. Food and beverages for meetings attended by official guests
3. Alcoholic beverages
4. Gifts
5. Awards
6. Promotional Items
7. Travel

D. Prohibitions: The Fund may not be used for the following expenses:

1. Food and beverages related to employee birthdays, weddings, anniversaries, and farewell gatherings that are not related to the active conduct of official University business
2. Gifts and awards related to birthdays, weddings, anniversaries, and farewell gatherings that are not related to the active conduct of official University business
3. Any expense from which the University employee requesting reimbursement derives a personal benefit

The University Corporation is aware of and acknowledges the existence of the following prohibitions stated in the California Administrative Code Title 5, Section 42403(c), which reads as follows:

Funds of an auxiliary organization shall be used for purposes consistent with Board of Trustees and campus policy, and shall not be used:
1. To support or oppose any candidate for public office, whether partisan or not, or to support or oppose any issue before the voters of this state or any subdivision thereof or any city, municipality, or local governmental entity of any kind except as may be permitted by Section 89300 of the Education Code. The prohibition of this subdivision shall not apply to:
   a. Expressions published in the student press;
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b. Support of a position taken by the Board of Trustees on an issue, which the Board determined, will significantly affect the California State University or any campus thereof.

2. To make personal loans to non-educationally related purposes, except that such loans may be made when specifically authorized by a trust instrument under which the funds were received.

E. Procedures and Control: In accordance with University Corporation policy, all funds expended require appropriate authorization signatures and a description of the use of the funds. Refer to Guidelines for Expenditures from General Fund and University Corporation Community Outreach Accounts for specific reimbursement procedures.

V. Adoption and Review

A. The University Corporation’s Board of Directors has adopted this Community Relations Policy, dated 20 February 2003. The University Corporation’s Board of Directors has adopted this Community Relations Policy, dated 24 June 2010.

B. This policy shall be evaluated ten years from its adoption date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the University Corporation or any change required by law or by other governing policy.

Any proposed amendments or variations of this policy would require a majority approval by the University Corporation Board of Directors.

VI. Related Documents

A. 313-001-A: Guidelines for Expenditures from General Fund and University Corporation Community Outreach Accounts

B. Title 5 California Code of Regulations Section 42502(i)

C. Executive Order No. 761: Hospitality, Payment or Reimbursement of Expenses