

## **HOSPITALITY PROCEDURES**

### **1.0 FOOD AND BEVERAGE GUIDELINES**

It is the policy of the California State University to allow food and beverage expenses such that expenses are essential to the business activity, reasonable in amount and must meet the University's overriding objective to be cost effective when utilizing its resources. When determining whether a food & beverage 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 and/or type of funds being used, and any alternatives that would be equally effective in accomplishing the desired objectives.

Meals or light refreshments provided in the course of a business meeting must be modest and reasonably priced. The location for a business meeting must be one which clearly represents an appropriate business meeting setting (an employees' home is not an appropriate setting). Meals or light refreshments provided to employees on a frequent or routine basis are considered taxable income by the IRS and are therefore not permitted. Typically lunches and dinners should not be provided at the conclusion of a meeting, except for when attendees are mostly from remote locations. When a meeting takes place over an extended period of time and the agenda includes a working meal, there may be justification that the meal is an integral part of the business function. Examples include:

- A meeting where there is a scheduled speaker during the meal period and no other time is available for such activity;
- An all-day meeting where the participants work through the meal period in circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location.

Your department may adhere to more strict guidelines. Please consult with your division Vice-President or designee before you incur such expenses.

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Food & beverage expenses that are of a personal purpose<sup>1</sup> and not related to the active conduct of official CSU business will not be paid or reimbursed. Examples include, but are not limited to employee birthdays, weddings, anniversaries, and baby showers.

### **2.0 FOOD AND BEVERAGE PROCEDURES**

In order to be reimbursed, approval is required using the [Food & Beverage/Community Relations Event Approval Form](#). This approval must include a budget estimate of planned expenditures not to exceed maximum costs per person as described in Exhibit A of this document. Approval of this form does not guarantee all expenses incurred are reimbursable. Only expenditures that comply with the [ICSUAM 1301.00 Hospitality Policy](#) and the [Campus Food Policy](#) will be paid or reimbursed. As proof for public records act requests, please submit the approval form including meeting agenda, list of attendees with work location and a detailed justification as to why the expense is essential to the business objective, with any payment or reimbursement request. Justification should be robust enough to avoid public scrutiny for misuse of state funds. “Business meeting in Turlock” is not sufficient.

If group meal hospitality expenses are expected for On-Campus Interview candidates, they should be included and pre-approved on the [Request for On-Campus Interview Travel & Allowances for Recruitment \(OCI Form.\)](#) Employees should include a copy of the approved OCI Form and a list of attendees when requesting reimbursement through Concur Expense software. A separate Food & Beverage/Community Relations Event Approval Form is not required if expenses were already approved on the OCI Form.

### **3.0 ACCOUNTING PRACTICES FOR ALL HOSPITALITY EXPENSES**

#### **3.1 Funding Source**

Hospitality expenses may be purchased to the extent that the funding sources allow. Refer to the Hospitality Policy and the [Hospitality Quick Reference Guide](#) for further guidance. State Funds may never be used for alcoholic beverages, memberships in social organizations, or tobacco products.

<sup>1</sup> Per California Government Code § 8314 (b)(1), “‘Personal purpose’ means those activities the purpose of which is for personal enjoyment, private gain or advantage, or an outside endeavor not related to state business.”

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Federal or local government contract and grant funds, or trust funds, may only be used to pay hospitality expenses specifically authorized in the contract, grant, agreement, or by agency policy.

In the event of a conflict between agency and CSU policy, the stricter of the two policies shall apply. Federal Funds may not be used to purchase alcoholic beverages or tobacco products, unless alcohol and tobacco are part of the research. Grants that define participant expenses more broadly than this campus procedure may be allowed if still in compliance with ICSUAM Policy 1301.00 and Federal, State, and Local laws.

### **3.2 Account Information**

When hosting an event there are several cost elements involved. These costs should be recorded to one of the follow accounts:

- 660837: Hospitality – (Food and Beverage). Costs associated with providing guests with food and beverages. Includes catering services and meals provided at hosted events.
- 660859: Community Relations/Sponsorship – Participation in events to promote the university, enhance partnerships, or cultivate donors.
- 660860: Promotional Items – Items that display the name, logo or other icon identifying the University such as a keychain, coffee mug, calendar, or clothing.
- 660846: Search Expense – (Food and Beverage). Costs associated with candidate on-campus interviews.

### **3.3 Gift Cards and Other Cash Equivalents**

Gift cards and gift certificates, no matter how small, are always taxable to the employee as wages and must be reported to Payroll. Generally, gift cards should not be purchased for or given to employees.

Gift cards or other cash equivalents given to non-employees as awards or prizes may be subject to IRS Form 1099 income reporting if \$600 or over cumulative annually. A [Gift Card Receipt Log](#) must be completed at time of distribution, and individual tax information collected from non-employees if the \$600 individual threshold is expected to be reached for reporting purposes.

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Gift cards should only be purchased for immediate use using a P-Card, and the Gift Card Receipt Log must be submitted with the monthly P-Card reconciliation. No inventory of gift cards is allowed.

### **4.0 APPROVAL OF TRANSACTIONS**

- Individuals with delegated approval authority may not approve their own expenses and individuals may not approve expenses of their supervisor. The exception is approval of the President's expenditures by the Chief Financial Officer.
- Request for 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 to the CSU to be derived from the expense. The Campus President, or designee, must approve payment or reimbursement of hospitality expenditures for recreational, sporting or entertainment events.
- The Campus President, or designee, must approve payment or reimbursement of hospitality expenditures for a spouse, domestic partner or significant other of an employee.

### **5.0 COMMON QUESTIONS AND ANSWERS:**

Q1: I am hosting a training for CSU Stanislaus employees. It is an all-day training session with a consultant providing a presentation during the lunch hour. I would like to provide lunch. Since the consultant is not a CSU Stanislaus employee can I offer lunch?

A1: You may host lunch if it is too time-consuming or disruptive for participants to take a meal break away from the meeting location. This exception applies only because this is a working lunch, not because one attendee is a non-employee of CSU Stanislaus. The consultant may be reimbursed for travel expenses as part of their contract; he/she should not be considered an official guest.

Q2: I am a Director and I would like to host a lunch meeting with my staff. How do I pay for it?

A2: The CSU does not pay for meals for staff during a normal work day. If you want to provide lunch you may pay for it yourself but you will not be reimbursed.

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Q3: I'm not located at the main campus in Turlock but at another CSU Stanislaus location. I'm having a meeting that includes my staff and some employees from the main campus. I've arranged to have lunch brought in. How do I pay for it?

A3: If the visiting employees from another CSU location are in travel status, and assuming the expenses are essential to the business activity, reasonable in amount and are cost effective, you may be reimbursed.

Q4: I am hosting a training session or meeting for CSU Stanislaus employees and thought it would be "nice" to offer bottled water and donuts. How do I pay for it?

A4: Refer to Section 1.0 and the Hospitality Quick Reference Guide for guidance on business meetings involving employees only and the limitation guidelines.

Q5: I am hosting a half day meeting for CSU Stanislaus employees that concludes around 1pm. I would like to provide box lunches for the participants to return to their desks to eat. How do I pay for it?

A5: The CSU does not pay for meals for staff during a normal work day. Alternate work schedules can be accommodated to allow staff to take their lunch hour after the conclusion of the meeting. If you want to provide lunch you may pay for it yourself but you will not be reimbursed.

Q6: My division would like to host receptions for the benefit of employee morale, employee recognition, or employee service recognition. How do I pay for it?

A6: Food and beverages related to receptions for employee morale/recognition or employee service recognition for employees separating with at least 5 years of service may be paid for using State funds as long as they are reasonable in amount and are cost effective. However, gifts related to these events and recognition activities may only be reimbursed through the non-State funds. Refer to Hospitality Quick Reference Guide for more guidance.

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### 5.0 RESOURCES

[Food & Beverage/Community Relations Event Approval Form](#)

[ICSUAM 1301.00 Hospitality Policy](#)

Exhibit A – Maximum Rates for Employee Meetings and Recognition Events

[Hospitality Quick Reference Guide](#)

[Campus Food Policy](#)

[Gift Card Receipt Log](#)

[De Minimis Fringe Benefits](#)

[On-Campus Interview and Travel Allowances for Recruitment Form \(OCI Form\)](#)

## REVISION CONTROL

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**Document Title:** Hospitality Procedures  
**Contributor:** Angela Sevilla  
**Reviewer:** Regan Linderman  
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### Revision and Approval History

Section(s) Revised	Summary of Revisions	Revised By	Reviewed by	Approved by CFO	Revision Date
Click here to enter Sections Revised.	Click here to enter Summary of Revisions	Click here to enter name of Person Revising.	Click here to enter name of Reviewer	Click here to enter name of Approver	Click here to enter Revision Date

**EXHIBIT A**

Maximum Rates for Employee Meetings and Recognition Events

Fiscal Years 2018-2020

Rates are inclusive of food, beverages, labor, sales tax and delivery and other fees.

Any exceptions to these rates must be approved by the Chief Financial Officer

<b>MEAL</b>	<b>MEAL DESCRIPTION</b>	<b>MAXIMUM COST PER PERSON</b>
Breakfast	Continental or Buffet includes drinks, meal choice, and disposable utensils and plates.	\$20.00
Lunch	Boxed lunch or Buffet includes drinks, meal choice, and disposable utensils and plates.	\$35.00
Dinner	Buffet or Plated	\$75.00
Light Refreshments	Party trays, pizza, cake, drinks, etc.	\$20.00