

# Hospitality Approval Process & Form Revisions

# Definition of Hospitality

**ICSUAM 1301.00: 408**     *Hospitality* the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies), entertainment services, promotional items, gifts, awards and service recognition. Hospitality includes expenses for activities that promote the university to the public , usually with the expectation of benefits accruing directly or indirectly to the C SU.

# Changes

- Updates to ICSUAM 1301.00
- Hospitality Form - DocuSign
  - DocuSign is a secured document restricting changes after the document has been sent for approval
- Level I or Level II approvers required

# Changes Continued (Comparison)...

## Hospitality Policy Changes

Policy Requirement	Current Policy	New Approval Change
<p><b>Approving Authority:</b> A person who has been delegated authority to approve Hospitality expenses, and who validates that the expenses are directly related to, or associated with, the active conduct of official CSU business.</p> <p><b>IMPROVEMENT:</b></p> <p>Creating the levels of approving authority, distinguished by monetary value and/or sensitive criteria, provides more efficiency as the division Vice President is no longer required to execute every single hospitality request.</p>	<ul style="list-style-type: none"> <li>VP approval required</li> </ul>	<p><b><u>Level I – Hospitality Expenses - \$500 or less</u></b></p> <ul style="list-style-type: none"> <li>All requests for purchases and reimbursements that include hospitality related expenses that are less than \$500 shall be approved by Level I Approving Authority, (an employee with a minimum classification of Dean, Vice Provost, or Associate Vice President) using existing CSUSM business processes and delegations of authority. The level I approving authority must have fiscal authority.</li> </ul> <p><b>NOTE: Level I will review and approve all hospitality expenses regardless of value and submit those greater than \$500 and special circumstances to the Level II authority for final approval.</b></p> <p><b><u>Level II – Hospitality Expenses - greater than \$500</u></b></p> <ul style="list-style-type: none"> <li>All requests for purchases and reimbursements that include hospitality related expenses that are \$500 or greater shall be approved by Level II Approving Authority such as a Provost, Vice President or above or their designee (an employee with a minimum classification of Dean, Vice Provost, or Associate Vice President) using existing CSUSM business processes and delegations of authority. Designee's must have the written delegation of authority attached to the hospitality approval form.</li> </ul> <p><b><u>Additional Level II – Approving Authority</u></b> Authorization of Level II Approving Authority is required for payment or reimbursement of the following hospitality expenditures regardless of amount.</p> <ul style="list-style-type: none"> <li>events that includes serving alcohol, regardless of the total expense</li> <li>gift card/certificate amounts above annual maximum</li> <li>a spouse or domestic partner of an employee</li> <li>expenses above set per person maximum rates</li> </ul>

# Changes Continued (Comparison)...

## Hospitality Policy Changes

<p><b>Final Approval for Appropriateness</b></p> <p><b>IMPROVEMENT:</b></p> <p>Removal of an unnecessary approval and signature authorization which will expedite, by several days, the related purchase and payment for the department.</p>	<ul style="list-style-type: none"> <li>• Procurement Director or AVP</li> </ul>	<ul style="list-style-type: none"> <li>• Division (as defined above)</li> </ul>
<p><b>Employee Morale/Recognition</b></p> <p><b>IMPROVEMENT:</b></p> <p>Clearer understanding of the type of employee meeting expenses which can be expensed out of general funds. Employee Morale/Recognition Meetings are now viewed as a bona fide business expense in support of the mission of the University and qualifies as a proper expense out of general revenue funds.</p>	<ul style="list-style-type: none"> <li>• CSU Operating Fund – NO</li> </ul>	<p>All University CSU Trust and Operation Funds – YES, with specific requirements</p> <p>(1) Meals or light refreshments (limited to no more than <u>twelve</u> times per year, per group) provided in the course of an event may not exceed the maximum per person rate for breakfast (\$25), lunch (\$50) and dinner (\$75). These rates are inclusive of beverages, labor, sales tax, delivery fees, and other service fees.</p>

# Changes Continued...

## General Expense Type Category

General Expense Type Category		Funding Source	
Expenditures/Occasions	All University CSU Trust and Operating Funds (excluding 496)	Auxiliary Funds must comply with Auxiliary procedures (85xxx per written agreement)	496 Mis Trust Funds
Alcoholic Beverages, including tax, gratuity and service charges.	No	Yes	Per written Agreement
Awards and Service Recognition, Retirement, Farewell Gatherings - minimum 5 years of service	Yes <sup>2</sup>	Yes	Per written Agreement
Bereavement Gift Expenditures such as flowers, plant, or card for employees or former employees.	No	Yes	Per written Agreement
Community Relations/Fundraising	Yes	Yes	Per written Agreement
Employee Meetings & Recognition Events including employee morale functions. (must serve a bona-fide business purpose)	Yes	Yes	Per written Agreement
Entertainment Services eg. equipment and venue rental, décor, music & performers.	No	Yes	Per written Agreement
Gifts with expectation of benefit or other bona fide business purpose. (other than gifts to federal officials)	No	Yes	Per written Agreement
Meals and Light Refreshments (non-alcoholic) for business meetings and events attended <u>ONLY</u> by employees of the same work location where the participants are required to work through the meal period(campus).	Yes <sup>1</sup>	Yes <sup>1</sup>	Per written Agreement

# Changes Continued...

## General Expense Type Category

Meals and Light Refreshments (non-alcoholic) for business meetings and events attended by official guests eg. employees from another work location (campus), students, donors, individuals being recruited for employment, visitors & volunteers.	Yes <sup>1</sup>	Yes <sup>1</sup>	Per written Agreement
Memberships in Social Organizations eg. University clubs, civic organizations.	No	Yes	Per written Agreement
Personal Benefit (weddings, anniversaries, baby showers, get well, and birthdays)	No	No	No
Professional Organization Meeting	Yes	Yes	Per written Agreement
Promotional Items - Non-Employees	Yes	Yes	Per written Agreement
Promotional Items - Employees	No	Yes	Per written Agreement
Receptions - held in connection with conferences, meetings of learned society or professional organization, meetings of student organizations and meetings of other CSU related groups.	Yes	Yes	Per written Agreement
Spouse or Domestic Partner hospitality expense with bona-fide business purpose.	Yes	Yes	Per written Agreement
Student recruitment, student recognition events, and commencements (subject to related policies such as the gift card policy or student payment policy)	Yes	Yes	Per written Agreement

Footnotes:

- 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 twelve times per year, per group) provided in the course of an event may not exceed the maximum per person rate for breakfast (\$25), lunch (\$50), dinner (\$75) and light refreshments (\$60). These rates are inclusive of beverages, labor, sales tax, delivery fees, and other service fees.
- 2) Cash and cash equivalent items such as a gift card and gift certificate, 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 minimus and infrequent. Refer to IRS for tax rules in resources and materials section.

# New Hospitality Form DocuSign

<https://na2.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=3313469d-22d7-4774-9381-d22db25950c2>



# Hospitality

## Payment or Reimbursement of Expenses

- Source:
  - CSU Policy Number 1301.00
  - Revised: September 14, 2018
  - <https://csyou.calstate.edu/Policies/icsuam/Pages/1301-00.aspx>

# Questions

- E-mail [accountspayable@csusm.edu](mailto:accountspayable@csusm.edu)
- Hospitality Resource Page:
  - <http://www.csusm.edu/procurement/ap/hospitality.html>

Thank you