SUBJECT: Hospitality Expenditure Procedure**

TOPIC: Grid of Allowable/Unallowable Expenditures

Effective: 9/3/2022
Revision No.: 2
Revised: 3/18/2026
PolicyStat ID: 17548775

Cal Poly Pomona

	Hospitality Activity	STATE	ENTERPRISE FOUNDATION			PHILANTHROPIC	ASI			Differences between State and Auxiliary - (ICSUAM 1301.00)
		CSU Funds within State Fund 948	[Strict Column] Grants & Contracts	Program Funds	Public Relations	Philanthropic Foundation (per fund agreement restrictions)	ASI & IRA	Agency & Donation	F&O Union	
	Personal Expenditures are always unallowable	**Unallowable**	**Unallowable**	**Unallowable**	**Unallowable**	**Unallowable**	**Unallowable**	**Unallowable**	**Unallowable**	
1	Employee's local meals when University business related with visitors, guests, students (non-employee), alumni, donors, etc., when there is no personal benefit derived by the host and the benefit to the university is greater than the cost of hospitality.	Allowable	See G&C Manual	Allowable Footnote 3	Allowable Footnote 3	Allowable	Allowable	Allowable	Allowable	
2	Employee's local meals when University business related with job candidates and hiring employee (hiring manager, team, etc.) to obtain an acceptance offer.	Allowable	See G&C Manual	Allowable Footnote 3	Allowable Footnote 3	Allowable	Allowable	Allowable	Allowable	
3	Employee's local meals when University business related with advisory committees, industry committees, search committees, etc.	Allowable Footnote 1	See G&C Manual	Allowable Footnote 3	Allowable Footnote 3	Allowable Campus FN 1	Allowable	Allowable	Allowable	
4	Employee's local meals when University business related with college/department retreats, seminars, colloquiums, working/planning/staff meetings	Allowable Footnote 1	See G&C Manual	Allowable Footnote 3	Allowable Footnote 3	Allowable Campus FN 1	Allowable working/planning/staff meetings/seminars only	Allowable	Allowable working/planning/staff meetings/seminars only	
5	Employee's (faculty and staff) local meals when University business related with speakers, lecturers, etc.	Allowable Footnote 2	See G&C Manual	Allowable Footnote 3	Allowable Footnote 3	Allowable Campus FN 2	Allowable	Allowable	Allowable	
6	Employee's local meals when University business related during university-wide staff development events.	Allowable	See G&C Manual	Allowable Footnote 3	Allowable Footnote 3	Allowable	Allowable	Allowable	Allowable	
7	Employee's local meals for events that are celebratory in nature (retirement/going away parties, holiday parties, etc.)	Unallowable	Unallowable	Allowable Footnote 3	Allowable Footnote 3	Allowable Footnote 1	Allowable	Allowable	Allowable	Allowable per section ICSUAM 1301 section II.E.2
8	Employee's local meals for events with no valid university business purpose.	Unallowable	Unallowable	Unallowable	Unallowable	Unallowable	Unallowable	Allowable	Unallowable	
9	Local meals for official University visitors, guests, job candidates, or students in excess of State Maximum Per-Person Rates.	Unallowable	Unallowable	Allowable	Allowable	Allowable Footnote 2	Allowable	Allowable	Allowable	
10	Hospitality provided while on travel status when the majority of attendees are on travel status and it is more cost effective to provide a meal.	Allowable	See G&C Manual	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	
11	Business related entertainment among peers.	Unallowable	Unallowable	Allowable Footnote 3	Allowable Footnote 3	Allowable Footnote 3	Allowable	Allowable	Allowable	Allowable per section ICSUAM 1301 section II.E.2
12	Business related entertainment for official guests of the University	Unallowable Footnote 3 Exception	Unallowable	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable	
13	Spouse's cost of hospitality for official guests of the University when University business related.	Allowable Footnote 4	Unallowable	Allowable	Allowable	Allowable Campus FN 4	Unallowable	Allowable	Unallowable	
14	Employee hospitality expenses when University business related for employee morale	Allowable Footnote 1	Unallowable	Allowable Footnote 3	Allowable Footnote 3	Allowable Campus FN 1	Allowable	Allowable	Allowable	
15	Alcoholic beverages	Unallowable	Unallowable	Allowable Footnote 3	Allowable Footnote 3	Allowable Enterprise FN 3	Unallowable	Unallowable	Unallowable	Allowable per section ICSUAM 1301 section II.E.2
16	Coffee service for campus offices.	Unallowable	Unallowable	Allowable	Allowable	Allowable Footnote 1	Unallowable	Allowable	Unallowable	
17	Non-meal expenses of employees at official function where attendance is required including event tickets, regalia rental, tuxedo/gown, rental, etc.	Unallowable, regalia rental only (FN 5)	Unallowable	Allowable	Allowable	Allowable Footnote 1 Campus FN 5	Unallowable	Allowable	Unallowable	
18	Non-meal expenses of official visitors at official functions including event tickets, regalia, etc.	Unallowable	Unallowable	Allowable	Allowable	Allowable Campus FN 5	Unallowable	Allowable	Unallowable	
19	Noncash gifts, flowers, employee receptions, new recruits, retirements, illness, hospitalization, cards or funeral flowers	Unallowable	Unallowable	Allowable	Allowable	Allowable Footnote 4	Unallowable	Allowable	Allowable Flowers in connection with illness, hospitalization or funerals only	
20	Plaques, flowers and parties - others.	Plaques only, with justification	Unallowable	Allowable	Allowable	Allowable Footnote 1, 4	Unallowable	Allowable	Unallowable	
21	Employee Recognition: Plaques, certificates of achievements, similar recognition events for Employees	Allowable, with justification	See G&C Manual	Allowable	Allowable	Allowable Footnote 1	Allowable	Allowable	Allowable	
22	Noncash gifts/awards to employees for recognition, morale purposes (i.e. teambuilding events), etc.: Gifts, prizes and awards of tangible personal property	Allowable, FN 7 reportable on W2 as compensation	Unallowable	Allowable	Allowable	Allowable Campus FN 7	Allowable	Allowable	Allowable	
23	Noncash gifts/awards to nonemployees business/public relations purposes: campus event tickets, plaques, certificates, gifts or cards.	Allowable, Promotional items or prizes under limit only (FN 6)	Unallowable	Allowable	Allowable	Allowable Campus FN 6	Allowable	Allowable	Allowable	
24	Decorative office supplies	Unallowable	Unallowable	Allowable	Allowable	Allowable	Allowable For events only	Allowable	Allowable For events only	Allowable per section ICSUAM 1301 section II.E.2

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* All allowable hospitality expenses under all funding sources require agenda/flyer, attendees list, and Hospitality Justification Form per ICSUAM 1301.00 section II.G.

State (Campus) Footnotes

FN 1) Allowable if the following conditions are met:

a) The meal is an essential part of the event (i.e. the meeting is longer than 4 hours and participants are required to work through the meal period). Additionally, for meetings with employees from different work locations the meal is an essential part of the event if a speaker is scheduled during the meal period.

b) Hospitality provided is infrequent in occurrence (12 times or less per calendar year per group or committee).

FN 2) Allowable during an event if hospitality is provided to all attendees during the presentation (must be included in the agenda)
** If meal is provided before or after the event to only a select few individuals from the original event (the Presentation, etc.), the meal is considered a separate event and the event must have a clear business purpose. A statement stating why the meal is an integral part of the event and how it benefits the university must be provided on the Hospitality Justification Form.*

FN 3) Allowable only if it is a campus-wide event (i.e. CPP fest, Pizza with the President, etc.)

FN 4) Hospitality provided to the spouse, domestic partner or significant other of an employee may be permitted when it serves a University business purpose such as ceremonial functions, fundraising events, alumni gatherings and community events.

FN 5) Regalia: Only the rental cost associated with regalia are reimbursable; as the University considers the purchase of regalia to be a personal expense and cannot be reimbursed using state funds. The state considers the reimbursement of personal expenses to fall under the classification of gifts of state funds, which noted in ICSUAM 1301.00, is not an allowable expense for the University.

FN 6) **Promotional items:** Use of promotional items such as branded keychains, coffee mugs, calendar, or clothing as a participant incentive for an event is encouraged. As a rule, promotional items under $15 may be purchased with State Funds and these items would not be taxable, as they are de minimis to the recipient. For conferences and large events, promotional items should be limited to a combined value of less than $50 per attendee.

Non-employee awards and prizes (non-promotional items): Reasonable awards and prizes made on behalf of the University to non-employees and outside organizations are allowed when the prize benefits the University, supports a University business purpose and fulfills the mission of the University. The maximum allowable value for any award or prize is $50 per event. Additionally, any non-employee that accrues $600 or more of payments or other income must be reported to the IRS.

FN 7) Benefits provided to employees are taxable as wages unless the benefit is excluded by the Internal Revenue Code Section 132 (26 U.S. Code Sec. 132); including de minimis fringe benefits. De minimis fringe benefits refer to any property or service whose value is so small as to make accounting for it unreasonable or administratively impractical. However, the Internal Revenue Service (IRS) has ruled in a previous case (ILM 200108042) that items with a value exceeding $100 could not be considered de minimis, even under unusual circumstances. This includes tangible goods in excess of $100 in value. Additionally, the IRS has stated in Publication 15-B that certain benefits can never qualify as de minimis fringe benefits, including cash and cash equivalents, and should be included as taxable income to the employee. Prizes and awards may also be considered taxable income to the recipient. Gift cards and gift certificates are considered cash or cash equivalent items and are never excludable as a de minimis fringe benefit from an employee's wages.

Cal Poly Pomona Enterprise Foundation Footnotes

FN 1) Subject to the Foundation Program Agreement; any specific restrictions outlined in the agreement will take precedence.

FN 2) If applicable, please use the Travel Request Form with appropriate approvals

FN 3) Decisions for authorization to approve alcoholic beverages will be made by the President or designee and based upon the request submitted.
Alcohol should not be allowed when only Cal Poly Pomona employees are in attendance.

** The Foundation administers various funds including Foundation programs & public relations funds. These funds may be used for expenditures classified as public relations. Public relations include those functions which are intended to create and promote favorable support with the public, employees, donors and university community. Accordingly this Public Relations Grid adopts the CSU Auxiliary Organizations

CSU Auxiliary Organizations Policy section P-1-i as well as the ICSUAM 1301.00 Hospitality Policy, section C. Employee Meetings and and section H. maximum per-person meal rates for hospitality expense as reviewed annually by the University's Chief Financial Officer.

Cal Poly Pomona Philanthropic Foundation Footnotes

FN 1) When deemed appropriate and reasonable in service of the advancement or philanthropic mission.

FN 2) Require written exception approval in email or memo form from authorized CPPPF staff.

FN 3) Peers include both auxilary and university staff.

FN 4) Flowers in connection with illness, hospitalization or funerals, or donor stewardship related activities are capped at $150 max.

Maximum Per-Person Meal Rates

Breakfast	$40
Lunch	$60
Dinner	$90
Light Refreshment	$40
Alcohol (aux org only)	$30