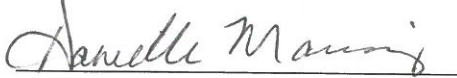


**Date:** June 22, 2017

CC: Cabinet

**To:** Rodney Rideau  
Interim Associate Vice President for Financial and Administrative Services  
and Associate Chief Financial Officer**From:**Danielle Manning  
Vice President and Chief Financial Officer  
Administration, Finance and Strategic Development**Subject:** Revised: Hospitality Per-Person Rates

In accordance with the ICSUAM Policy 1301.00, Hospitality Payment, or Reimbursement of Expenses, I hereby authorize the maximum per-person rates for hospitality meals and light refreshments specific to on-campus and off-campus employee meetings and recognition events.

**Maximum Per-Person Rates for Hospitality Expenses**

<b>Meal Type</b>	<b>*Maximum Per-Person *Routine &amp; Departmental Events</b>	<b>*Maximum Per-Person *VIP Entertaining</b>
Breakfast	\$20.00	\$50.00
Lunch	\$30.00	\$75.00
Dinner	\$60.00	\$120.00
Light Refreshments	\$15.00	\$30.00

\*Maximum Per-Person Rate: Applies to employee meetings and recognition events which serve a CSU business purpose and are generally administrative in nature. The maximum rates are inclusive of meals, sales tax, equipment fees, and service fees. When hospitality expenditures exceed the per-person maximum, a justification must be included with the Direct Pay Form.

\*Routine & Departmental Events: Generally refers to small-scale events held within the departments, colleges, and divisions.

\*VIP Entertaining: Generally refers to large-scale events of a campus wide nature.

# California State Polytechnic University, Pomona Hospitality Expenses Procedures

## Hospitality

### **I. Objective**

Hospitality expenses may be paid with university funds to the extent that the purchase and use of these services and items is consistent with the mission and fiduciary responsibilities of California State Polytechnic University, Pomona (hereafter referred to as university). This operating procedure applies to activities that promote the university to the public and the provision of hospitality in connection with official university business and specifies the university funds that may be used for such purposes.

### **II. Authority**

ICSUAM Policy No. 1301.00, effective December 15, 2011, states that “each campus and its auxiliaries are required to develop written procedures, consistent with this policy, regarding the payment of ordinary and necessary hospitality expenses.” Authority for this policy is pursuant to California Education Code section 89044. The policy is issued under delegation of authority from the Chancellor to the Executive Vice Chancellor and Chief Financial Officer, and implementation and compliance with the policy is further delegated to the campus Chief Financial Officer. California Education Code sections 6600, 89030, 89035.

### **III. Allowable Expenditures and Occasions**

Hospitality expenses must be directly related to, or associated with, the active conduct of official CSU business. When an employee acts as an official host, the occasion must, in the best judgement of the approving authority, serve a clear CSU business purpose, with no personal benefit derived by the official host or other employees. In addition, the expenditure of funds for hospitality should be cost effective and in accordance with the best use of public funds.

### **IV. Employee Meetings and Recognition Events**

Meals or Light Refreshments:

Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently and are reasonable and appropriate to the business purpose. 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 under the ICSUAM 1301.00 Policy.

- Meals or light refreshments should be limited to no more than twelve times per year, per group.
- Meals or light refreshments provided to a group should be counted on an event basis, e.g., a two-day meeting should be counted as one event in determining compliance with these guidelines.
- Meals or light refreshments provided in course of a business meeting must be modest and reasonably priced. 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 integral to the business function.

Event Attendance:

Pertains to a university-sponsored event or community event when an individual's attendance is necessary for the success of the event or it directly relates to the individual's responsibilities and role at the university. Event attendance may also include spouses/partners of university employees when it serves a University business purpose. Such an individual's presence is considered to serve a CSU business purpose if he or she has a significant role in the proceedings or makes an important contribution to the success of the event. Approval by the Division Head or designee confirms event attendance by an employee and, as appropriate, by the employee's

spouse/partner. Permissible expenses may include, for example, the rental of formal wear, if required, or rental of caps and gowns for faculty and staff members at commencement.

Event attendance requirements do not apply to attendance at professional meetings or conferences covered by an approved travel authorization.

### Funding Sources

Hospitality expenses may be paid from various university fund sources, subject to the rules outlined below and the restrictions identified in Table 1.

#### State General Fund

- Operating Fund may **not** be used to pay for any expenditure prohibited by applicable laws, regulations, or agreements including the California Budget Act.
- Operating Fund may **not** be used to pay for food and beverages for business meetings attended only by employees of the same work location.
- Operating Fund may **not** be used to pay for alcoholic beverages, entertainment services, memberships in social organizations, or Tabaco products.
- Operating Fund may **not** be used to pay for gifts. To most effectively comply with federal regulations, there is a limited exception permitting the use of Operating Fund for gifts to federal officials.
- Operating Fund **may** be used to pay for the participation of employees or official guests at CSU fundraising events to the extent that such expenditures do not exceed the projected net revenue of the activity.

#### Other University Funds or Auxiliary Funds

- Other university funds **may** be used to pay for alcoholic beverages, awards and service recognition, entertainment services, gifts, membership in social organizations and promotional items to the extent these purchases are not restricted by other applicable laws, regulations, or funding source agreements.
- Federal or local government contract and grant funds may **only** be used to pay hospitality expenses specifically authorized in the contract or grant, 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.
- Other Funds may **not** be used to purchase tobacco products.

#### Trust and Agency Funds Held for Third Parties

- Trust or agency funds held by the university or its auxiliaries in a purely custodial capacity (assets equal liabilities) on behalf of third parties are subject to applicable laws and written agreements.

**Table 1.**

#### Funding Sources for Payment of Hospitality Expenses

Hospitality Expenses	CSU Operating Fund (485)	Other University and Auxiliary Funds	Trust and Agency Funds held for Third Parties
Alcoholic Beverages	No	Yes	Written Agreement
Awards and Service Recognition	Yes	Yes	Written Agreement
Entertainment Services	No	Yes	Written Agreement
Gifts (other than to federal officials)	No	Yes	Written Agreement

Meals and Light Refreshments (other than alcoholic beverages), for meetings and events attended by only employees of the same work location	No	Yes	Written Agreement
Meals and Light Refreshments (other than alcoholic beverages), for meetings and	Yes	Yes	Written Agreement
Membership in Social Organizations	No	Yes	Written Agreement
Promotional Items	Yes	Yes	Written Agreement
Tobacco Products	No	No	Written Agreement

**V. 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 President's expenditures by the Chief Financial Officer.