Hospitality Policy and Form Training

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Agenda

- Policy Objective
- Policy Statement
- Definitions
- Allowable Expenditures and Occasions
- Employee Only Meetings and Events
- Unallowed Expenditures
- Funding Sources
- Hospitality Form
What is Hospitality?

- **Hospitality**
  - The reasonable provision of meals (catered or restaurant) or light refreshments (beverages, hor d’oeuvres, pastries, cookies)
  - Entertainment Services
  - Promotional Items
  - Service Recognition
  - Awards
  - Prizes
- Hospitality includes expenses for activities that promote the university to the public, with the expectation of benefits accruing directly or indirectly to the university.
Hospitality expenses may be paid when **ALL** the following criteria are met:

1. Expenses are Necessary
2. Appropriate to the Occasion
3. Reasonable in Amount
4. Serves a purpose with the Mission of the University
5. Cost Effective
Policy Statement

* Governs how the University and Auxiliaries provide hospitality:
  - Students
  - Employees
  - Donors
  - Guests
  - Visitors
  - Volunteers
  - Other Individuals
* Receives the bulk of its funding from state appropriation and students fees.
* Employees have an obligation to practice conscious and wide stewardship of these limited resources.

* Delegation and Governance of Hospitality
  * ICSUAM 1301.00 Hospitality September 14, 2018
  * California Education Code Section 89044, 66600,89030, and 89035
Definitions

- **Approving Official** - A person whom authority has been delegated in writing to approve expenses.
- **Awards** - Something of value given or bestowed upon an individual, group or entity.
- **Employee Only Meetings or Events** - Meetings which serve a University business purpose and are generally administrative in nature.
Definitions Cont.

* **Entertainment Services** - Expenditures incurred in connection with events or activities that are primarily social or recreational.
  * Please note: Showcasing student talent exempt from policy.

* **Fundraising Event** - Events conducted for the primary purpose of promoting the university.
Gift

- Something given in appreciation and for no value in exchange.
- If an expenditure serves a primary public purpose, it is not a gift even if it incidentally benefits an individual or entity.
Memberships in Social Organizations:
- University Clubs
- Athletic Clubs
- Civic Organizations
- Other membership organizations that provide a venue for hosting hospitality events or a means for promoting goodwill in the community.
Official Host - The university employee who is providing hospitality and responsible for incurring hospitality expenditures.

Official Guest - A person invited by an official host to attend a hospitality event.

Please Note: Students attending a meeting or event in their role as a student-employee are considered employees for the purpose of the definition.
Definitions Cont.

* **Promotional Items** -
  * A tangible item that is distributed to promote the name or image of the university
  * To provide information
  * To enhance university productivity
Allowable Expenditures and Occasions

- Must be directly related to, or associated with, the active conduct of official university business.
- Is this hospitality expense appropriate?
  - Approving Officials must evaluate the following:
    - Importance of the event in terms of cost
    - Benefits to be derived
    - The availability of funds
    - Are there alternatives equally effective?
Employee Only Meetings or Events

* Serves a university business purpose
* Occurs infrequently per group or committee
* Is a reasonable amount
* And **ONE** of the following are met:
  * The meeting or event lasts 3 hours or more
  * The majority of the attendees are on travel status
  * More than 2 employees are present
Public expenditures that are driven by personal motives are an impermissible use of university funds.

When a meeting includes a working meal, it must be demonstrated that the meal is an integral component of the business meeting or event.
Meal Limits for Employee Only Meetings and Events

- The maximum meal limits are as follows:
  - Meal Type
    - Breakfast $25
    - Lunch $30
    - Dinner $55
    - Light Refreshments $20
- Vice Presidents or above may approve exceptions with documented explanation.
- Official Guest Meetings and Events are not subject to these meal limits, but should be reasonable and appropriate to the business purpose of the event.
Employee Awards, Service Recognition and Morale

* Must serve a purpose consistent with the mission and fiduciary responsibility of the university and align with IRS regulations.
* A non-cash award or prize may have taxable consequences to the employee if it does not meet the IRS definition of deminimis, which is as follows:
  * ($75 or less)
  * Infrequent
* In addition it is not taxable if it is part of the university's established recognition program.
Celebration for exceptional contributions to the university are acceptable for any employee separating with a minimum of 5 years of service from University.

- The maximum amount allowed is up to $750.
- Alcohol may not be purchased with Operating Fund.
  - Corkage and bar service is permitted with Operating Fund.

- A farewell award (tangible item) is allowed up to $75 (no cash or gift cards)

- VP or above may approve limited exceptions to the $750
Unallowed Expenditures

* Personal Benefit
  * Examples include:
    * Employee birthdays, weddings, anniversaries, bridal/baby showers, bereavement or sympathy gifts.
    * Gifts as thank you to consultants, guest speakers, or employees from another campus.

* Discrimination

* Tobacco Product
Funding Sources

- Lottery Funds- Exclusive use for the education of students cannot be used for hospitality.
- CSU Operating Fund- Cannot be used for alcoholic beverages, entertainment services, memberships to social organizations, or any expenditure prohibited by applicable laws, regulations or agreements including the California Budget Act.
- Self-Support/Student Fees-Must be in accordance with the Trust Agreement.
- Private Support- Has the most flexibility, see Table 1
Approval of Hospitality

* Must be approved by approving official (approving authority).
* Approving authority may not approve their own expenses and may not approve their supervisor. Exception: The President’s expenditures to be approved by CFO
* Vice President approval or above is required when a spouse or domestic partner of an employee is in attendance and the hospitality is for recreational, sporting or entertainment events.
HOSPITALITY FORM

Current Date: ___________________ Date of Event: ___________________
Official Host Name: ___________________ Phone or Email: ___________________
Number of Participants: ___________________ Cost per Participant: ___________________

Does the hospitality include official guests?

☐ No  ☑ Yes (Describe official guest): ___________________

If “No” please include a list of participants and reference the hospitality policy for maximum meal limits.

Business Purpose:
(Describe and details, required for employees only)

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Account</th>
<th>Fund</th>
<th>Dept</th>
<th>Program</th>
<th>Project</th>
<th>Class</th>
<th>$ Amount</th>
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<tbody>
<tr>
<td>Operating Fund – GM****, SO****, RA****, RT****, and for the purposes of this policy QF****</td>
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<td>Self-Support Student Fee Funds – RC****, RD****, RA****, RO****, RJ****, RN****, RJ****</td>
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<td>Private Support – Co****, GM****, NT****, QF**** (other than QF****), RY****</td>
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Type of Hospitality Expense (Mark all that apply):

Gifts to employees
Birthday, wedding, anniversary, bridal/baby showers, retirement gifts to employees
Tobacco products
Meals and light refreshments for meetings and events
Employee award/dinners, service recognition, or employee morale functions
Employee farewell gatherings (if $100 maximum)
Employee farewell awards
Promotional items for official guests
Promotional items for non-employee employees (Tangible personal property up to $75)
Gifts to official guests
Stamps or equivalent
Membership in social organizations
Alcoholic beverages
Entertainment services (VP approval or higher required)
Other (Describe): ___________________

The hospitality policy can be found at https://www.sonoma.edu/policies

AUTHORIZED SIGNER (APPROVING AUTHORITY):
Expenses are in accordance with the SSU Hospitality Policy.

Print Name: ___________________ Date: 09/24/19
Signature: ___________________

ADDITIONAL APPROVING OFFICIAL, if required:
(Required when authorized signer and official host are the same person or when official host is the authorized signer’s supervisor)

Print Name: ___________________ Date: ___________________
Signature: ___________________
Summary of Changes

- The definition of the different “types” of money
  - Specific fund examples provided in FAQ
- Employee awards and morale functions
  - Allowed with approval of Senior Director of higher
  - Gift cards/certificates prohibited with exception of Wolfbucks
- Employee farewell celebrations
  - Reduce from 15 years of service to 5 separation from university
- Meals at employee only events
  - Detailed on slides above and within policy-meeting agenda must be attached
- Student awards and prizes
  - Only private support or student fees specifically approved for awards shall be used.
Questions