Policy Overview

- Hospitality simply defined

Activities such as employee meetings, entertainment services, service recognition, and fundraising events intended to promote the mission of the University
The University has a new hospitality policy effective the beginning of Fall quarter.

Why are we changing our hospitality policy?

- We are mandated to change our policy to conform to the Chancellor’s Office revised hospitality policy.
Why do we have to be careful about how hospitality events are handled and funded?

- hospitality affects almost every department
- hospitality expenses are audited and scrutinized much more than other supplies and services
- hospitality expenses are funded by taxpayer dollars, student tuition and fees, and donated funds. In other words.. It’s not our money
It is the policy of the CSU that hospitality expenses may be paid to the extent that such expenses are...

- Necessary
- Reasonable in amount
- Serve a bona fide business purpose consistent with the mission of the CSU
- Not in lieu of compensation or to provide personal benefit to employees
Policy Overview

Who is subject to this Policy?

- Cal Poly – University
- Cal Poly – Corporation
- Cal Poly – Foundation
- Cal Poly – ASI

EVERYONE!

Including Students!

abc.afd.calpoly.edu
What funding sources are subject to this policy?

ALL OF THEM
Policy Overview

- What types of events or activities can include the provision of hospitality?
  - Employee meetings
  - Recognition Events
  - Activities to promote employee morale
  - Recruitment
  - Travel
  - Fundraising Events
  - Conferences
  - Hosting Guests
  - Entertainment Services
Policy Overview

Typical hospitality expenses include

- Meals
- Light refreshments
- Gifts
- Promotional Items
- Entertainment Services

New: A Hospitality Pre-Authorization Form must be submitted with any type of hospitality expense(s)
Policy Overview

- Fundraising events require special consideration
  
  - Fundraising events must comply with CSU policy*
  
  - Fundraising events with anticipated gross receipts > $5K require completion of an Event Fundraising Approval Form

*ICSUAM policy number 15701.00
Who can approve hospitality expenses?
- Employees holding a minimum employment classification of Department Head, Department Chair or MPP with fiscal authority for the funding source being used

Can an approving official delegate their approval authority?
- Approving authority can be delegated to an employee that holds an appropriate employment classification and has fiscal authority over funds used
When determining whether a hospitality expense is appropriate the approving authority must evaluate…

- The importance of the event in terms of the costs that will be incurred
- The benefits derived from such an expense
- The availability of funds
- Any alternatives that would be equally effective in accomplishing the desired objectives
Policy Overview

- How do I submit hospitality expenses?
  - Hospitality expenses are submitted using AFD approved forms and must be accompanied by a Hospitality Pre-Authorization Form
  - The Hospitality Pre-Authorization Form requires an explanation of the event, attendees and explains allowable funding sources
  - One Hospitality Pre-Authorization Form submitted per event
Hospitality Pre-Authorization Form
(please submit only one form per event)

A. Hospitality Description

B. Hospitality costs that may be paid from the Operating Fund (i.e. SL.001)

- Retirement
- Fundraising event
- Student recruitment
- Professional conference
- Host University guest
- Student event
- Promotional items for non-employees
- Farewell gathering
- Outreach event
- Student recognition
- Business meetings with official guests *
- Professional meeting
- Memorial
- Community relations
- Commencement
- Employee morale/recognition *
*Limited to no more than 12 times per year, per group.

C. Hospitality costs that may not be paid from the Operating Fund (i.e. SL.001)

- Business meetings attended by campus employees only *
- Spouse and domestic partners who serve a bona fide business purpose
- Gifts provided with the expectation of benefit of bona fide business purpose
- Entertainment expenses
- Promotional items for employees
- Alcohol or tobacco products
*Limited to no more than 12 times per year, per group.

D. Estimated hospitality expenses to be incurred (enter amount before approval): $ 

E. Approvals

Name: 
Title: 
Signature: 
Data: 

F. Actual hospitality expenses incurred (fill out post-event and attach to payment request form): $ 

* Limited to no more than 12 times per year, per group.
Policy Overview

- How does the funding source affect hospitality related activities?
  - The CSU Operating Fund may NOT be used for the following:
    - Alcohol and/or tobacco
    - Entertainment services
    - Memberships in social organizations
    - Gifts
    - Business meetings for employees only
  - Any other funding sources may be used if the funds are not restricted by laws, regulations or funding source agreements. See [hospitality policy](mailto:abc.afd.calpoly.edu) for more info.
Policy Overview

- How does the new hospitality policy differ from the old one?

<table>
<thead>
<tr>
<th>Old Policy</th>
<th>New Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• No guidance on meal amounts per person</td>
<td>• Maximum meal caps provided</td>
</tr>
<tr>
<td>• Limited grid of activities</td>
<td>• Expanded grid of allowable activities</td>
</tr>
<tr>
<td>• Approving authority not defined</td>
<td>• Approving authority defined</td>
</tr>
<tr>
<td>• Pre-authorization not required</td>
<td>• Pre-authorization required</td>
</tr>
<tr>
<td>• Employee gifts not quantified</td>
<td>• Employee gifts limited &lt; $100 of tangible goods</td>
</tr>
<tr>
<td>• No reference to gift cards</td>
<td>• Disallows gift cards</td>
</tr>
</tbody>
</table>
# Old Hospitality Guidance

<table>
<thead>
<tr>
<th>Type of Hospitality Expense</th>
<th>CSU Operating Fund</th>
<th>All Other CSU Funds</th>
<th>Budget Act Appropriations for Capital Outlay</th>
<th>Project Funding from CSU Systemwide Revenue Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and non-alcoholic beverages for meetings attended only by employees of the same work location.*</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Food and non-alcoholic beverages for meetings attended by official guests.</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Alcoholic beverages and tobacco products.</td>
<td>No</td>
<td>Yes**</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Gifts (See Section III, Required Approvals).</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Awards (See Section III, Required Approvals).</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Promotional items.</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Travel expenses of official guests of the university.</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>General Expense Type Category</td>
<td>General Hospitality Expenses that may include meals and light refreshments</td>
<td>Alcohol, Tobacco, Memberships in Social Org or Entertainment Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowable expenditures and/or occasions</td>
<td>CSU Operating Fund</td>
<td>CSU Operating Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other University and Auxiliary Funds to the extent there are no restrictions by laws, regulations or funding source agreements</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Business Meetings employees only (1)</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Morale/Recognition (1)</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Relations/Fundraising</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts with expectation of benefit or other bona fide business purpose</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>University hosts official guests, including employees visiting from another work location, students, donors, visitors and volunteers</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>anniversaries, baby showers, get well, and birthdays)</td>
<td>No</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Organization Meeting (1)</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotional Items</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receptions (2)</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Recognition - minimum 5 years</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spouses and Domestic Partners who attend a hospitality event and serve a CSU business purpose</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Recruitment Efforts</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Recognition events &amp; commencement</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
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<tr>
<td>Memorial services</td>
<td>Yes</td>
<td>Yes</td>
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Hosting dinner off campus as a “morale” building event for employees from the same department with alcohol provided

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<td>Employee Morale/Recognition (1)</td>
<td>Yes</td>
<td>Yes</td>
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</table>
Survey participants are being provided with a gift card to increase participation

- Gift cards are not allowed, the department can instead provide a tangible gift with a value of less than $100

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<td>Gifts with expectation of benefit or other bona fide business purpose</td>
<td>No</td>
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Hospitality Scenarios

- Working lunch is being provided on campus for an outside consultant to advise faculty on curriculum strategies

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<td>Business Meetings with official guests (1)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
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Policy Overview

- Some examples of activities that are not approved for hospitality regardless of funding source
  - Costs associated with:
    - Birthday parties
    - Weddings
    - Get Well
    - Anniversaries
    - Baby showers

**NOTE**: Expenses that are personal in nature, or are structured primarily for the purpose of providing personal benefit are not allowed
Policy Overview

- Documentation Resources
  - Cal Poly Hospitality Policy
    - http://afd.calpoly.edu/fiscalservices/forms.asp
  - Cal Poly Hospitality Pre-Authorization Form
    - http://afd.calpoly.edu/fiscalservices/forms.asp
  - For Hospitality Questions please contact Roxanne McDermott 756-5405

9/8/2014
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