Cal Poly
Hospitality Policy
Overview

January 2015
Agenda

- Hospitality Defined
- Scope/Applicability
- Hospitality Fundamentals
- Difference Between Old and New Policy
- Hospitality Procedures
- Frequently Asked Questions
- Hospitality Information Resources
Hospitality Defined

- Hospitality is an activity or occasion that involves some type of hosting related expenditure for an official university business purpose.
Expenses for the personal benefit of an employee are not considered hospitality and cannot be paid from any funding source, examples include:

- Birthday parties
- Weddings
- Get well
- Anniversaries
- Baby Showers
Hospitality Defined

- 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
Hospitality Defined

- 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
Hospitality Defined

- Expenses typically incurred at a hospitality event:
  - Meals and beverages (which can include alcohol depending on funding source)
  - Light refreshments
  - Gifts
  - Promotional Items
  - Entertainment Services

**New**: A Hospitality Authorization Form must be submitted with any type of hospitality expense.
The policy applies to employees, students, donors, guests, visitors, volunteers, recreational, sporting & entertainment events, independent contractors and consultants, guest speakers and visiting professors.
Scope/Applicability

Who is subject to this Policy?

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

EVERYONE!

Including Students!
What funding sources are subject to this policy?

ALL OF THEM
Why are we changing our hospitality policy?

- The Chancellor’s Office revised the system-wide hospitality policy and each campus is required to create a policy that conforms to the system-wide policy.
Why do we have to be careful about how hospitality events are handled and funded?

- Hospitality affects 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. i.e. It’s not our money.
- Hospitality expense documents are considered public records and can be requested by anyone for any reason.
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
Does the funding source used affect your ability to pay for hospitality related activities?

- The CSU Operating Fund (i.e. SL001) may NOT be used for the following:
  - Alcohol and/or tobacco
  - Entertainment services
  - Memberships in social organizations
  - Promotional items for employees only
  - 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 for more info.
Old vs. New Policy

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

<table>
<thead>
<tr>
<th>Old Policy</th>
<th>New Policy</th>
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<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>• Hospitality Authorization Form Required</td>
</tr>
<tr>
<td>• Gifts not quantified</td>
<td>• Allowable gifts quantified</td>
</tr>
<tr>
<td>• Gift cards not allowed</td>
<td>• Gift cards allowed in certain situations</td>
</tr>
<tr>
<td>• Employee Morale Events not allowed</td>
<td>• Allows employee morale and recognition</td>
</tr>
</tbody>
</table>
## Old Hospitality Matrix

<table>
<thead>
<tr>
<th>Type of Hospitality Expense</th>
<th>CSU Operating Fund (Fund chart field value is: SL001)</th>
<th>All Other CSU Funds</th>
<th>Budget Act Appropriations for Capital Outlay 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>
</tr>
<tr>
<td>Food and non-alcoholic beverages for meetings attended by official guests.</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Alcoholic beverages and tobacco products.</td>
<td>No</td>
<td>Yes**</td>
<td>No</td>
</tr>
<tr>
<td>Gifts  (See Section III, Required Approvals).</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Awards  (See Section III, Required Approvals).</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Promotional items.</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Travel expenses of official guests of the university.</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
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</table>
## New Hospitality Matrix

<table>
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<tr>
<th>General Expense Type Category</th>
<th>General Hospitality Expenses that may include meals and light refreshments</th>
<th>Alcohol or Memberships in Social Organizations</th>
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</thead>
<tbody>
<tr>
<td>Allowable expenditures and/or occasions</td>
<td>CSU Operating Fund</td>
<td>Other University and Auxiliary Funds to the extent there are no restrictions by laws, regulations or funding source agreements</td>
</tr>
<tr>
<td>Business Meetings employees only (1)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Business Meetings with official guests (1)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Employee Morale/Recognition (1)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Community Relations/Fundraising</td>
<td>Yes</td>
<td>No</td>
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<td>Entertainment Expenses</td>
<td>No</td>
<td>Yes</td>
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<td>Gifts with expectation of benefit or other bona fide business purpose</td>
<td>No</td>
<td>Yes</td>
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<td>University hosts official guests, including employees visiting from another work location, students, donors, visitors and volunteers</td>
<td>Yes</td>
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<tr>
<td>Personal Benefit (Weddings, anniversaries, baby showers, get wells, and birthdays)</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Professional Organization Meeting (1)</td>
<td>Yes</td>
<td>Yes</td>
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<td>Promotional items Non-Employees</td>
<td>Yes</td>
<td>Yes</td>
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<td>Promotional items Employees</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Receptions (2)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Service Recognition - minimum 5 years</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Spouses and Domestic Partners who attend a hospitality event and serve a CSU business purpose</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Student Recruitment Efforts</td>
<td>Yes</td>
<td>Yes</td>
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<td>Student Recognition events and commencement</td>
<td>Yes</td>
<td>Yes</td>
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<td>Memorial Services</td>
<td>Yes</td>
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(1) 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 ($30), lunch ($60) and dinner ($90). These rates are inclusive of beverages, labor, sales tax, delivery fees, and other service fees.

(2) Hospitality permitted when the University holds receptions held in connection with conferences, meetings of learned society or professional organizations, meetings of student organizations, student events such as commencement and meetings of other CSU related groups.
Hospitality Procedures

- Who can approve hospitality expenses?
  - Employees holding a minimum employment classification of Department Head, Department Chair, MPP or Confidential 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
Hospitality Procedures

How do I submit hospitality expenses?

- Hospitality expenses are submitted using AFD approved forms and must be accompanied by a Hospitality Authorization Form.
- The Hospitality Authorization Form requires an explanation of the event, attendees and explains allowable funding sources.
- One Hospitality Authorization Form is submitted per event.
Hospitality Authorization Form

A. Hospitality Description

Description /Title of Event or Program

List of Event Attendees

List of official guests*

B. Hospitality expenses that may be paid from Operating Fund (e.g. SL001), Miscellaneous Trust Funds, University Campus Program Funds and Cal Poly Corporation funding sources.

- 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 expenses that may not be paid from the CSU Operating Fund (e.g. SL001) and may be paid from allowable Miscellaneous Trust Funds, University Campus Program Funds and Cal Poly Corporation funding sources.

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

D. Hospitality expenses incurred/estimated

CPSU and University Campus Programs:

- Fund
- Dept ID
- Account
- Project
- Program
- Class

- CPC: Org Key
- Object Code:

- ASI: P.O. Number

E. Requestor Information (Transactions less than $250 are approved by requestor)**

- Name
- Department
- Signature
- Date
- Email

F. Approving Official (Transactions $250 or greater require approving official signature)**

- Name
- Title
- Signature
- Date
- Email

* An official guest is a person invited by an official host to attend a University meeting, conference, reception, activity or event. Examples of official guests include, employees, research associates, students, faculty, campus visitors, vendors, members of the community, or media representatives.

** Events $250 or greater require approving official to hold a minimum employee classification of department head, Department Chair or Management Personnel Plan (MPP) or confidential events less than $250 can be approved by any employee authorized by their department regardless of employment classification.

For more information on hospitality please refer to the Hospitality Policy.
FAQ’s

Why am I being required to submit an additional form for a Hospitality Event?

- The new form helps users understand how different funding sources can be used before incurring expenses
- The new form provides designated spaces to collect information that has always been required to substantiate hospitality expenses
My department is hosting a candidate from out of the area for a recruitment. Are expenses incurred on the candidate’s behalf considered hospitality?

- The travel related expenses incurred by or for the candidate’s visit, like hotel and airfare are submitted on a Travel Claim Form and are not considered a hospitality expense.

- Non-travel related expenses incurred by the department to host the candidate, e.g. dinner with department personnel would be considered a hospitality expense.
FAQ’s

- Is the Hospitality Authorization Form always required prior to an event?

  - Hospitality expenses incurred with on campus entities like Campus Dining or Campus Catering require completion prior to the event. Form is submitted at the time services are provided (e.g. Sage Dining)
  
  - Hospitality expenses incurred with off campus business entities require completion of the form prior to submission of a purchase requisition or prior to submission of a payment request form (Direct Buy Form)
Gift Card FAQ’s

Does the new hospitality policy allow me to use gift cards to promote the university?

- General purpose gift cards for off campus businesses are not allowed regardless of funding source.
- Gift cards for off campus businesses that are redeemable for a specific tangible item with a value of < $100 are allowable.
Gift Card FAQ’s

Does the new hospitality policy allow me to use gift cards to promote the university?

- Departments are encouraged to use tangible university promotional items (with a value of < $100) in place of gift cards
- General purpose gift cards purchased from the University Store with a value of < $100 are allowable
Coffee and Water FAQ’s

- I’ve always been able to provide daily water and coffee services for my department, why does the new policy disallow this?
  - Coffee and water service for regular daily use by employees is a personal benefit. Personal benefit expenses were not allowed in the old policy and are not allowed in the new policy.
  - The university supplies and maintains drinking fountains and water stations throughout the campus.
  - Buildings that do not have potable water readily available (e.g. faculty trailers by UPD) can use a variety of funding sources to pay for water services. Coffee services for daily use is never allowed regardless of funding source.
Are there any circumstances in which I can provide daily coffee or water services?

- Coffee and water service for employee meetings or events that qualify as a hospitality event or occasion are always allowable as long as the funding source does not have any restrictions that disallow the expense.
What if my department has a gift from a donor that is specifically for coffee, water and food for daily employee use? Can my department accept the gift?

- A donor’s gift purpose cannot allow expenditures that are not allowable based on CSU policy, regardless of which auxiliary holds the monies or pays for the expenses.
- Department could still accept the donation in this situation, but the purpose of the donation would be written such that it can be used for hospitality expenses as defined in the hospitality policy.
Is there any way my department can continue to provide daily water or coffee services for the employee’s convenience?

- A designated employee in the department can contract directly with the vendor, collect monies from all employees in the department and remit payment to the vendor for the monthly bills.
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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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Survey participants are being provided with a gift card to incentivize participation

- Promotional items (e.g. Cal Poly Sweatshirt) with a value of < $100 should be used.
- University Store general purpose gift cards with a value of < $100 are allowable.
- Gift cards for any business redeemable for a specific item of property with a value of < $100 are allowable.

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

### Hospitality Scenarios

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Policy Overview

- **Documentation Resources**
  - Cal Poly Hospitality Policy
    - [http://afd.calpoly.edu/fiscalservices/forms.asp](http://afd.calpoly.edu/fiscalservices/forms.asp)
  - Cal Poly Hospitality Authorization Form
    - [http://afd.calpoly.edu/fiscalservices/forms.asp](http://afd.calpoly.edu/fiscalservices/forms.asp)
  - For Hospitality Questions please contact Francie Murphee
    - Phone: 756-6092
    - Email: fmurphee@calpoly.edu
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756-5864