ABC 2015 Fall Summit

CSU Hospitality Policy Overview

September 9, 2015
Hospitality simply defined

Activities such as employee meetings, entertainment services, service recognition, and fundraising events intended to promote the mission of the University
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!
Policy Overview

- What funding sources are subject to this policy?

ALL OF THEM
Policy Overview

- Hospitality events or activities that may require the provision of hospitality include but are not limited to:
  - Employee meetings
  - Recognition Events
  - Activities to promote employee morale
  - Recruitment
  - Travel
  - Fundraising Events
  - Conferences
  - Hosting Guests
  - Entertainment Services
Policy Overview

- 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
Typical hospitality expenses include

- Meals
- Light refreshments
- Gifts
- Promotional Items
- Entertainment Services
- NEW Limited use gift cards

**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 Cal Poly’s Hospitality Policy and the Chancellor’s Office Integrated CSU Administrative Manual Policy number 15701

  - Fundraising events with anticipated gross receipts > $5K require completion of an Event Fundraising Approval Form
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 official 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
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 submitted per event.
Hospitality Authorization Form
**Hospitality Authorization Form**

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature</td>
<td>Date</td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature</td>
<td>Date</td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

* 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 visiting from another work location, students, donors, recruitment candidates, volunteers, 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](#).

For more information on event planning please refer to the [Event Planning Guidelines](#).

For more information on the requirements for an approved Alcohol Service Request, please review [CAP 172, Campus Alcohol Policy](#).
A. Hospitality/Event Description

Description /Title of Event or Program

Date of Event  Location/Venue of Event

List of Event Attendees

List of official guests*

Number of attendees

Is food being served?  Yes  No  Who will be supplying the food?

Is alcohol being served?  Yes  No  Who will be supplying the alcohol?

If YES, you may need to submit an ALCOHOL SERVICE REQUEST for approval

B. ASI Funded transactions: P.O. number required, enter your P.O. number and skip to section G.
C. 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.

D. 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 - If yes, you may need to submit an [ALCOHOL SERVICE REQUEST](#) for approval

***Limited to no more than 12 times per year, per group.
E. Hospitality expenses incurred/estimated $____

CPSU and University Campus Programs:

Fund  DeptID  Account  Project  Program  Class

CPC:  Org Key  Object Code:

6/23/2015

Page 1 of 2

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

Name __________________________ Department __________________________

Signature ______________________ Date ____________________ Email ____________________
G. Approving Official (Transactions $250 or greater require approving official signature)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
</table>

| 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 visiting from another work location, students, donors, recruitment candidates, volunteers, 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

For more information on event planning please refer to the Event Planning Guidelines

For more information on the requirements for an approved Alcohol Service Request, please review CAP 172, Campus Alcohol Policy
Where can I find additional information on the types of expenses that each funding source allows
## New Hospitality Guidance

<table>
<thead>
<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>
</tr>
</thead>
<tbody>
<tr>
<td>Allowable expenditures and/or occasions</td>
<td>CSU Operating Fund</td>
<td>CSU Operating Fund</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>No</td>
</tr>
<tr>
<td>Community Relations/Fundraising</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Entertainment Expenses</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Gifts with expectation of benefit or other bona fide business purpose</td>
<td>No</td>
<td>Yes</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>No</td>
</tr>
<tr>
<td>Personal Benefit (Weddings, anniversaries, baby showers, get well, and birthdays)</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Professional Organization Meeting (1)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Promotional Items Non-Employees</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<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>No</td>
</tr>
<tr>
<td>Spouses and Domestic Partners who attend a hospitality event and serve a CSU business purpose</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Student Recruitment Efforts</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Student Recognition events &amp; commencement</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Memorial services</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

(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 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.
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 for more info.
Hosting dinner off campus as a “morale” building event for employees from the same department with alcohol provided

<table>
<thead>
<tr>
<th>General Expense Type Category</th>
<th>General Hospitality Expenses that may include meals and light refreshments</th>
<th>Alcohol, Tobacco, Memberships in Social Org or Entertainment Expenses</th>
</tr>
</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>
</tbody>
</table>

Employee Morale/Recognition (1) | Yes | Yes | No | Yes |
Survey participants are being provided with a gift card to increase participation

- **NEW** The Hospitality Policy has been amended to allow certain limited use gift cards as follows:
  - Gift cards redeemable for a specific item of property or merchandise not exceed $100.
  - Gift cards not to exceed $100 may be purchased from the University Store. University Store gift cards exceeding $100 are considered taxable income to the employee.
  - Nominal 3rd party gift cards, with a value of $10 or less, for on campus vendors may also be purchased (i.e. Starbucks, Yogurt Creations, Jamba Juice, etc.).
# Hospitality Scenarios

<table>
<thead>
<tr>
<th>General Expense Type Category</th>
<th>General Hospitality Expenses that may include meals and light refreshments</th>
<th>Alcohol, Tobacco, Memberships in Social Org or Entertainment Expenses</th>
</tr>
</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>Gifts with expectation of benefit or other bona fide business purpose</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td></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></td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
Hospitality Scenarios

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

<table>
<thead>
<tr>
<th>General Expense Type Category</th>
<th>General Hospitality Expenses that may include meals and light refreshments</th>
<th>Alcohol, Tobacco, Memberships in Social Org or Entertainment Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowable expenditures and/or occasions</td>
<td>CSU Operating Fund</td>
<td>CSU Operating Fund</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>
<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 with official guests (1)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>
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
Hospitality Policy Changes

- Effective immediately, departments may use their departmental procard to pay for hospitality expenses.
- All hospitality expenses on a ProCard must be pre-approved by an appropriate approving official prior to the event.
- ProCard users that do not complete a Hospitality Authorization Form prior to the event may be subject to ProCard suspension or card revocation.
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: 6-6092
    - Email: fmurphee@calpoly.edu
Marc Benadhiba
Associate Controller
Fiscal Services
mbenadib@calpoly.edu
756-5864