



## Hospitality Guidelines

The Tower Foundation will procure and pay for allowable and reasonable hospitality expenses directly related to, or associated with, the active conduct of official SJSU or Tower business. The SJSU guideline specifies the university and its auxiliary funds (such as those in Tower) that may be used for such purposes. These guidelines also do not pertain to food expenses of employees traveling on university business. (Refer to Tower's Travel Policy for the policy covering those types of expenses). These guidelines are in accordance with [ICSUAM policy number 1301.00](#) (Hospitality, Payment, or Reimbursement of Expenses).

### What is Hospitality?

Hospitality is the provision of food, beverages, and other expenditures related to activities, or special events for the purpose of promoting and furthering the mission of the foundation or university.

### Allowable Expenses and Events

When a Tower or university employee acts as an official host, the occasion must, in the best judgment of the Approving Official, serve a clear business purpose, with no personal benefit derived by the official host or other employees. The expenditure of funds for hospitality should be cost effective and in accordance with the best use of donor funds. Hospitality expenses, including awards and gifts, must conform to IRS regulations.

The following are examples of occasions when the provision of hospitality is permitted:

- When the university hosts official guests
- When the university is the host or sponsor of a meeting of a learned society or organization
- When the university hosts receptions held in connection with conferences, meetings of a learned society or organization, fundraising events, meetings of student organizations and groups, student events such as commencement exercises, and meetings of other university related groups such as alumni organizations
- When the university hosts receptions for the benefit of employee morale, employee recognition, length of service awards or retirement presentations. Farewell reception is allowed for employees with at least 5 years of service within CSU.
- When university representatives participate in community outreach to enhance partnerships, promote goodwill, recognize distinguished service or cultivate donors
- Business meetings that directly promote the mission and goals of the university
- Development activities including department retreats
- University hosted development activities (e.g., training and workshops)
- Bereavement arrangements or get well arrangements

### Spouses and Domestic Partners

Hospitality may be provided to such individuals when their presence is considered to serve an SJSU business purpose if he or she has a significant role in the proceedings or makes an important contribution to the success of the event. Official functions to which spouses or domestic partners are invited as a matter of protocol or tradition such as ceremonial functions, fundraising events, alumni gatherings, athletic games, and community events may be considered business related. An agenda, invitation or similar documentation should be included with the payment record.

## **Students and Prospective Students**

Permissible activities involving students and prospective students may include recruitment efforts, student activities, student programs, student organization events, student recognition events and commencements. Students may be hosted to attend fundraising and other community relations events that enhance their learning experience, in recognition of their student achievement, to engage with alumni and donors, or as representatives of elected student leadership. Hospitality provided to student athletes and recruits must be in accordance with the rules, regulations, guidelines, standards and procedures of the intercollegiate athletic association's national governing board; e.g., National Collegiate Athletic Association.

## **Meal Expenses**

When the university is host or sponsor to official guests or of a meeting of a learned society or organization, meals or light refreshments may be paid for or reimbursed.

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 this policy.

Meals must be a necessary and integral part of the business meeting, not a matter of personal convenience. For example, reimbursement will not be allowed when two or more employees choose to go to lunch together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during normal working hours.

Meals or light refreshments provided in the 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, examples include:

- A meeting where there is a scheduled speaker during the meal period;
- A meeting where the participants work through the meal period;
- An activity associated with professional development training;
- Circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location.

## **Prohibited Expenses**

Hospitality expenses of a personal nature and not related to the active conduct of official university business (e.g. birthdays, weddings, and baby showers) or for membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, ancestry, age, gender, sexual orientation, marital status, veteran status or disability are not allowable expenses.

## **Approval of Transactions**

The authorized signer on the account for which payment is requested for hospitality expenses must certify approval by signing the ProCard reconciliation report or Reimbursement or Requisition. The department should provide justification that clearly indicates the purpose for the expense (university hosted reception, development, etc.).

## **Justification Requirement**

All hospitality expenses must have support backup documentation such as an invoice and original receipt when requesting payment or reimbursement. Information for the justification should include names of attendees, date, location, and business purpose of expense for off-campus location.

## **Guidelines for Approving Officials**

When determining whether expenses for hospitality are appropriate, the authorized signer must evaluate the following:

- Importance of the event in terms of the costs that will be incurred
- Benefits to be derived from such an expense
- Reasonableness of the expense
- Availability of funds to support the expense
- Alternatives that would be equally effective in accomplishing the desired event objectives

## **Definitions**

**Approving Official:** Management level staff who has been authorized to approve expenses in accordance with Tower policy.

**Awards and Service Recognition:** Something of value given or bestowed upon an individual, group or entity in recognition of service to the university or achievement benefitting the university; e.g. financial prizes, trophies, plaques, and flowers.

**Employee Meetings and Recognition Events:** Meetings which serve a university business purpose and are generally administrative in nature such as campus-wide meetings of functional offices, campus meetings of deans and directors, employee morale functions, extended formal training sessions, conferences, extended strategic planning sessions, and meetings of appointed workgroups and committees.

**Entertainment Services:** Expenditures incurred in connection with events or activities that are primarily social or recreational such as equipment and venue rental, décor, music, and performers. Service expenditures related to showcasing the talent of students or employees are considered a regular business expense and are not governed by this policy.

**Fundraising Event:** Events conducted for the sole or primary purpose of raising charitable funds where participants make a charitable contribution and a purchase for the fair market value of goods or services. Fundraising events may include dinners, dances, door-to-door sales of merchandise, concerts, carnivals, golf tournaments, auctions, casino nights, and similar events. Fundraising events do not include the following:

- Activities substantially related to the accomplishment of the CSU's educational purpose, including such activities that receive sponsorship.
- Unrelated trade or business activities that generate fees for service.
- Fundraising solicitations and related prospecting activities intended to generate only a contribution (no purchase of goods or services).
- Raffles in which the prizes have only a nominal value and do not require reporting as taxable income.

**Gift:** Something of value given or bestowed upon an individual, group, or entity with the expectation of benefit accruing to the university or for other occasions that serve a bona fide business purpose. Gold Point cards and gift cards given to faculty, staff or students as a prize, award or gift, is considered taxable income by the IRS, regardless of the amount, and where applicable, must either be reported as income, additional salary or wages, or may be subject to withholding.

**Hospitality:** The provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies, etc.), promotional materials, gifts, and/or travel expenses of official guests of the university. Hospitality includes expenses for activities that promote the university to the public, usually with the expectation of benefits accruing directly or indirectly to the university and may include the provision of gifts, awards, and promotional materials.

**Membership in Social Organizations:** University clubs, athletic clubs, civic organizations and other membership organizations that provide a venue for hosting hospitality events or a means for promoting goodwill in the community. Memberships in business leagues, chambers of commerce, trade associations and professional organizations are considered a regular business expense and are not governed by this policy.

**Promotional Materials:** A gift of tangible personal property that is distributed to promote the name or image of the University, to provide information, or to enhance university productivity. Promotional items are of minor value and bear the university logo, a university related icon, and/ or information identifying the university. Examples would include a pen, folder, keychain, coffee mug, calendar, or clothing.

**Official Host:** A university employee who hosts a meeting, conference, or event.

**Official Guest:** A person invited by an official host to attend a university meeting, conference, reception, activity or event. Examples of official guests include employees from another CSU campus, student donors, volunteers, members of the community, media representatives, and/or recruitment candidates. Employees of the university are not considered official guests.