

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 Foundation business. It is the policy of the California State University (CSU) that hospitality expenses may be paid to the extent that such expenses are **necessary, appropriate** to the occasion, **reasonable** in amount and **serve a purpose consistent with the mission and fiduciary responsibilities of the CSU**. These guidelines are in accordance with [ICSUAM policy number 1301.00](#) (Hospitality).

Allowable Expenditures

Hospitality expenses must be directly related to, or associated with, the active conduct of official CSU business. When an employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear CSU business purpose, with no personal benefit derived by the official host or other employees. In addition, the expenditure of funds for hospitality should be cost effective and in accordance with the best use of donor funds.

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 to be derived from such an expense, the availability of funds, and any alternatives that would be equally effective in accomplishing the desired objectives.

Following are examples of occasions when the provision of hospitality is permitted under this policy (fund restrictions still apply):

- The campus hosts or sponsors business meetings that directly correlate with the operations of the CSU
- The campus hosts official guests with an interest in the CSU
- The campus is the host or sponsor of a meeting of a learned society or professional organization
- The campus hosts receptions held in connection with conferences, meetings of a learned society or professional organization
- The campus hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors
- The campus hosts receptions for the benefit of employee morale, employee recognition, official presentations for length or exceptional contributions of service awards, with at least 5 years of service are permissible
- Bereavement arrangements or get well arrangements

Employee Meetings

Food and beverage provided to employees may be permitted when it serves a CSU business purpose. Meetings that are carried out on a regular or frequent basis are not permitted. **Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently, are reasonable and appropriate to the business purpose.** When a meeting takes place over an extended period and the agenda includes a working meal, there may be justification that the meal is integral to the business function.

Spouses, Domestic Partners and Significant Others

Hospitality provided to the spouse, domestic partner or significant other of an employee might be permitted when it serves a CSU business purpose such as ceremonial functions, fundraising events, alumni gatherings, athletic games, and community events. An agenda, invitation or similar documentation should be included with the payment record.

Students and Prospective Students

Hospitality provided to students or prospective students may be permitted when it serves a CSU business purpose. Permissible activities 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.

Awards and Prizes

Cash and cash equivalent items such as gift cards and gift certificates, no matter how small, are always taxable to the employee as wages. A non-cash award or prize may have a taxable consequence to the employee if it does not meet the IRS definition of de minimis and infrequent.

Unallowed Expenditures

Hospitality expenses that are of a personal nature and not related to the active conduct of official CSU business will not be paid or reimbursed. Examples include, but are not limited to, employee birthdays, weddings, anniversaries, and baby showers.

Approval of Transactions

The authorized signer on the account for which payment is requested for hospitality expenses must certify approval by signing the Tower Procurement card reconciliation report or Reimbursement or Requisition. The department should provide justification that clearly indicates the purpose for the expense. 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.

Definitions

Approving Official: A person to whom authority has been delegated in writing to approve expenses in accordance with Tower policy.

De Minimis: Small in value, relative to the value of total compensation. There is no set dollar amount in the law for nominal prizes or awards. The IRS gave advice at least once, in 2001 that a benefit of \$100 did not qualify as de minimis. ILM 20018042.

Employee Meetings: Meetings which serve a CSU business purpose and are generally administrative in nature such as campus meetings of deans and directors, employee morale functions, conferences, and meetings of appointed workgroups and committees.

Hospitality: Is defined to include the following elements:

- Entertainment Services – Reasonable expenditures as part of a public purpose event includes, but is not limited to, equipment and venue rental, décor, music, and performers
- Food and Beverage – Reasonable provision of a meal (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies)
- Awards and Prizes – Something of value given or bestowed upon an individual, group, or entity in recognition of service to the university or achievement benefiting the university, or for other occasions that serve a bona fide business purpose

Membership in Social Organizations: A 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.

Official Host: Auxiliary governing board members, or university or auxiliary employee who hosts guests at a meeting, conference, reception, activity, or event for the active conduct of CSU business.

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 visiting from another CSU campus, students, donors, recruitment candidates, volunteers, members of the community, or media representatives. Employees of the university are not considered official guests.