



San Francisco State University

**University Executive Directive 02-29**

**UNIVERSITY POLICY  
ON THE PAYMENT OR REIMBURSEMENT FOR  
EMPLOYEE NON-CASH AWARDS**

(Rev. 12/02/2002)

Table of Contents

	Page No.
I. References / Authority	2
II. Purpose	2
III. Scope	2
IV. University Policy	
A Policy	2
B Approval of Transactions	3
1. Delegation of Authority	3
2. Authority for Exceptions	3
V. Procedures	
A. Allowable Awards	3 - 4
1. Work-related Awards	3 - 4
2. Sympathy Gifts	4
B. Prohibited Awards	4
C. Funding Sources	4-5
D. Payment or Reimbursement Procedures	6
VI. Responsibilities	6
Appendix: Funding Source Approval / Maximum Rate Matrix	7

**UNIVERSITY POLICY  
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**Effective Date: Expenses occurring on or after September 1, 2002**

**I. REFERENCES / AUTHORITY**

*Internal*

- By approving this policy, the President is delegating authority to the Vice Presidents and Auxiliaries Chief Executive Officer / General Manager to approve exceptions to the University's policy.
- By approving this policy, the President is delegating authority to the Vice President for Administration and Finance to make appropriate revisions to the University's policy, including maximum rates.
- Applicable Policies and Procedures:
  - Executive Order Number 761: Hospitality, Payment or Reimbursement of Expenses
  - University Executive Directive 02-27: Payment or Reimbursement of Hospitality Expenses
  - University Executive Directive 02-28: Payment or Reimbursement of Gifts Presented To Non-Employees On Behalf Of The University

*External*

- Internal Revenue Code – Section 132, Certain Fringe Benefits, Section 274(b), Gifts, Section 2740, Employee Achievement Awards
- Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions

**II. PURPOSE**

This UED establishes the policy and procedures related to non-cash awards presented on behalf of the University to its academic and staff employees, provides the maximum amounts authorized for an award, and specifies the University funds that may be used for such purposes. This policy also covers the provision of gifts to employees as an expression of sympathy.

**III. SCOPE**

This policy applies to expenses incurred by the University for Non-Cash Awards to Employees regardless of the source of funding. This policy provides guidelines and directions for the University Auxiliaries in developing its own hospitality policies. Auxiliaries may choose to implement more restrictive policies.

**IV. UNIVERSITY POLICY**

**A. POLICY**

It is the policy of the University that work-related events may be acknowledged by the presentation of a *non-cash* award to an employee for the purposes of recognizing of length of service, work accomplishment, or retirement. In addition, gifts as an expression of sympathy may be presented to employees as specified in section V of this policy. Such awards and gifts are intended to conform to the Internal Revenue Service (IRS) regulations in order to be excludable from an employee's gross income.

**UNIVERSITY POLICY  
ON THE PAYMENT OR REIMBURSEMENT FOR  
EMPLOYEE NON-CASH AWARDS**  
(Rev. 12/02/2002)

**B. APPROVAL OF TRANSACTIONS**

**1. Delegation of Authority**

Vice Presidents, Associate Vice Presidents, Executive Assistant to the President, College Deans and Auxiliaries Chief Executive Officer / General Manager have the authority to approve requests to reimburse expenses for employee non-cash awards and sympathy gifts. This authorization may not be further delegated. A "Delegation of Signature Authority" form must be on file for individuals who have been delegated this authority.

Employees with delegated approval authority may not approve their own request for payment or reimbursement for Employee Non-Cash Awards expenses.

**2. Authority for Exceptions**

Exceptions to this policy must be approved by the President, a Vice President or Auxiliaries Chief Executive Officer / General Manager *in advance of the event/expenditure*. This authority may not be delegated. Please use the ["Authorization For Exception To The Hospitality Policy"](#) form.

An exception request must be submitted in writing and must specify the type of award, the purpose of the award, the special circumstances that require such an exception, and the name of the employee for whom the exception will be granted *prior* to any requisition or purchase being made. No employee award may exceed \$400 under any circumstances.

**V. PROCEDURES**

**A. ALLOWABLE AWARDS**

1. Work-related Awards

Recognition of Length of Service, Work Accomplishment, and Retirement **non-cash** awards must conform to the requirements listed below:

a. **Employee Service Awards**

An item of *tangible personal property* may be presented to an employee for length of service contributions to the University. Such awards are subject to the following limitations:

- The award must be given for length of service achievement;
- The recipient must have completed at least five years of service; and,
- The recipient must not have received a similar gift in any of the prior four years.

A length of service award valued at up to \$250 is *allowable*. A service award valued *in excess of \$250 may be allowable* as an exception to the policy *only*. An award valued at more than \$400 is *prohibited*.

b. **Work Accomplishment Awards** including Employee of the Month, Employee of the Year, and Distinguished Faculty Awards. Awards must be occasional and infrequent.

An item of *tangible personal property* may be presented to an employee for work accomplishments. The selection of the staff / faculty who will be awarded must be made in

**UNIVERSITY POLICY  
ON THE PAYMENT OR REIMBURSEMENT FOR  
EMPLOYEE NON-CASH AWARDS**  
(Rev. 12/02/2002)

accordance with an established process. The awards are subject to the dollar limits specified in section (a) above.

**c. Retirement Awards**

An item of *tangible personal property* may be presented to an employee upon his or her retirement, subject to the dollar limits specified in section a. above.

The awards described in section a. and b. above must be awarded as part of a meaningful ceremony and should not be determined on the basis of an employee's classification.

**2. Sympathy Gifts**

Gifts of *tangible personal property*, such as flowers, may be presented as an expression of sympathy in the event of the death or major illness of an employee or a member of the employee's family or household. The cost of such gifts is limited to \$75 per department / office, unless exceptional approval is obtained.

**B. PROHIBITED AWARDS**

*Any award that is taxable is prohibited. Expenses for such awards cannot be reimbursed from any fund source or approved as an exception to this policy.* Examples of awards that are prohibited include the following:

- Cash or *negotiable* gift certificates,
- Parking permit in excess of \$175,
- Transit passes in excess of \$65,
- Work-related awards in excess of \$400,
- Recreation memberships,
- Season tickets to sporting or cultural events.

**C. FUNDING SOURCES**

- **Funding Sources are:** `

**General Fund Appropriations (Fund #001)**

Funds allocated to the University to be used in conjunction with the University's instructional mission. Funds include both State General Fund Appropriation and Student Fees deposited in the General Fund.

**UNIVERSITY POLICY  
ON THE PAYMENT OR REIMBURSEMENT FOR  
EMPLOYEE NON-CASH AWARDS**  
(Rev. 12/02/2002)

**Special Funds**

All other funds maintained by the University including:

**Revenue Funds** - Dormitory Housing (Fund #580) and Parking Funds (Fund #583),

**Trust Funds** - Agency Trust Funds (Fund #948), including Continuing Education Trust Fund, and Lottery Trust Funds (Fund #839)

**Special Projects Fund** (Fund #947)

**Auxiliary Organization Funds**

Include Unrestricted Funds maintained by Auxiliary Organizations, Indirect Costs on Grants and Contracts, and Fund-Raising accounts.

**Notes:**

1. *Financial Aid program funds and Capital Outlay funds are excluded from Sources of Funding. They may not be charged for hospitality / employee non-cash awards expenses.*
2. *Special Funds may be used to pay expenses for employee non-cash awards only to the extent permitted by the statute under which the fund was established. Expenses must support the program(s) or purpose(s) for which the fund was established. For example, the Continuing Education Trust Fund may be used only for the support and development of self-supporting instructional programs.*
3. *Federal or other government contract and grant funds may be used to pay hospitality expenses only if such expenses are specifically authorized in the contract or grant, or by funding agency policy, and only to the extent and for the purposes authorized. In the event of a conflict between agency and University policy, the stricter of the two policies shall apply. No alcoholic beverage or tobacco products may be charged to Federal funds.*
4. *Hospitality / Employee Non-Cash Awards may be charged to a project or Trust Fund or Special Projects Fund only if authorized by the campus approved project agreement.*

**General Rules**

1. Expenditures for employee awards may not be charged to General Fund Appropriations. Various non-general fund resources that are under University control (e.g., Special Funds) may be used for employee awards, in accordance with this UED and are subject to any restrictions on these funds.
2. General Fund or Federal funds may not be used to pay for sympathy gifts.

**UNIVERSITY POLICY  
ON THE PAYMENT OR REIMBURSEMENT FOR  
EMPLOYEE NON-CASH AWARDS**  
(Rev. 12/02/2002)

D. PAYMENT OR REIMBURSEMENT PROCEDURES

Requests for payment or reimbursement of employee non-cash award or sympathy gift expenditures must be submitted to the Fiscal Services Unit – Fiscal Affairs using the [“Request For Payment / Reimbursement Of Hospitality Expenses”](#) form. All expenses must be supported by original receipts or by acceptable electronic receipts.

VI. RESPONSIBILITIES

**President  
Vice Presidents  
Auxiliaries Chief Executive Officer / General Manager**

Are responsible for the justification and approval of all exceptions to this policy.

**Associate Vice President for Fiscal Affairs - Controller**

Associate Vice President for Fiscal Affairs - Controller is responsible for recommending the maximum rates to the Vice President for Administration and Finance. He is also responsible for periodic review of the maximum rates allowed for the non-cash awards and making adjustments as necessary, and for issuing appropriate procedures for processing claims for expenditures.

**Associate Vice Presidents  
College Deans  
Auxiliaries Chief Executive Officer / General Manager**

Are responsible for ensuring that the non-cash awards conform to the requirements of this UED, and that claims submitted for payment or reimbursement include the appropriate supporting documentation. They are responsible for restricting awards to allowable expenses and occasions, for submitting the appropriate host certification with claims for reimbursement, which have been signed by an authorized signer, and for ensuring that expenses incurred are appropriate to the fund source.

**Fiscal Services Unit – Fiscal Affairs**

It is the responsibility of the Fiscal Services unit to ensure that payment or reimbursement requests submitted by departments for award expenditures are made in accordance with the policy and procedures set forth in this UED. (Similar personnel of Auxiliary organization must be charged with this responsibility.) The Fiscal Services unit is responsible for reviewing all supporting documentation to verify that the amounts claimed are allowable, that the appropriate funds are charged, that the documents were properly approved prior to payment, and that payments are tax reported appropriately.

In addition, the Fiscal Services unit is responsible for ensuring that supporting documentation is being retained for review and audit in accordance with record retention and disposition requirements.

**APPENDIX**  
(Rev. 12/02/2002)

**FUNDING SOURCE APPROVAL / MAXIMUM RATE MATRIX**

Official hospitality expenses may be paid from various University funding sources, subject to the rules outlined. The following table summarizes funding sources for payment of Employee Non-Cash Awards:

Type of Award	General Fund Appropriations	Special Funds (see Footnotes)	Auxiliary Organization Funds (see Footnotes)	Maximum Limit (see Footnotes)
Length of Service Award	NO	YES	YES	\$250*
Work Accomplishment	NO	YES	YES	\$250*
Retirement Award	NO	YES	YES	\$250*
Sympathy Gift	NO	YES	YES	\$75*

**Footnotes**

- *Alcoholic beverages and tobacco purchases may be charged to Special Projects and Trust Funds only if they are permitted by the Trust Fund Agreement and are not restricted by the funding source or agency and there are no restrictions on the use of Auxiliary funding (e.g. Grants and Contracts) for these expenses.*
- *Any expenditure which exceeds the maximum limit must be approved as an exception to this policy, according to the procedures outlined. The justification and approval for the exception must occur prior to the requisition or purchase being made.*
- *No employee award may exceed \$400 under any circumstances.*
- *General Fund or Federal funds may not be used to pay for sympathy gifts.*
- *In the event of a conflict between the terms of the funding source and the University policy, the stricter of the two policies shall apply.*
- *If Federal funds will be charged, directly or indirectly, campus procedures and controls must be in place to ensure that the requirements of OMB Circular A-21 and Cost Accounting Standards are met.*