



San Francisco State University

**University Executive Directive 02-28**

**UNIVERSITY POLICY  
ON THE PAYMENT OR REIMBURSEMENT FOR  
GIFTS PRESENTED TO NON-EMPLOYEES ON BEHALF OF THE UNIVERSITY  
(Rev. 12/02/2002)**

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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 the 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 02-29: Employee Non-Cash Awards

***External***

- Internal Revenue Code – Section 274(b), Gifts

**II. PURPOSE**

This UED establishes procedures related to the presentation of non-cash gifts for business purposes to non-University individuals or organizations on behalf of the University and the University policy regarding such gifts: "Gifts or contributions to outside individuals or organizations will be permitted only if it can be demonstrated that the gift or contribution will benefit the University or is clearly seen as needful to the University in helping meet its role as a good community citizen." Examples might include promotional and goodwill gifts, gifts presented as a token of appreciation for, or in recognition of, service to the University, and gifts offered as an expression of sympathy.

Individuals or organizations eligible to receive gifts include donors or potential donors, visiting dignitaries and scholars, volunteers (including students), clientele, and members of the local community.

**III. SCOPE**

This policy does not cover the following related issues that are addressed in separate University Executive Directives:

University Executive Directive #02-29: Employee Non-Cash Awards - Non-cash awards made to employees for recognition, length of service or retirement, or as an expression of sympathy;

University Executive Directive #02-27: Hospitality: expenses incurred when extending hospitality for business purposes;

This policy applies to all gift expenses incurred by the University regardless of the source of funding. The policy provides guidelines and directions for the University Auxiliaries in developing their own hospitality policies. Auxiliaries may choose to implement more restrictive policies.

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**IV. UNIVERSITY POLICY**

**A. POLICY**

It is the policy of the University that gifts of moderate expense as described herein may be presented to non-University individuals or organizations when the gifts are made on behalf of the University. However, the presentation of such gifts is permitted only if it can be demonstrated that the gift benefits the University or is clearly necessary to the University's fulfillment of its role as a good community citizen. To avoid any appearance of favoritism, no officer or employee should present a gift that appears to be offered because of the position held by the recipient.

**Gifts may not be presented to the following:**

- University employees or relatives of University employees.
- Any individual or organization associated either directly or indirectly with a political party, campaign, or candidate, or a group engaged in an attempt to influence legislation, elections, referendums, or the like.
- Any person with whom a presenter has an outside business relationship, i.e., where any conflict of interest exists.

The business reason for making the gift or the nature of the business benefit the University derived or expects to derive must be documented in writing. In most cases, the promotion of goodwill in the University community is an acceptable business purpose.

**Important**

- *Gifts of cash are not permitted.*

**B. APPROVAL OF TRANSACTIONS**

**1. Delegation of Authority**

In addition to the President, only 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 non-cash gifts presented on behalf of the University. This authority may not be re-delegated to other administrators under their supervision.

Employees with delegated approval authority may not approve their own request for payment or reimbursement of gift expenses.

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**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.

**V. PROCEDURES**

**A. PRESENTATION OF GIFTS**

Generally, gifts are presented when tradition, commonly accepted institutional practice, or social custom dictates gift giving. To prevent the appearance of favoritism, gifts presented to a particular individual or entity shall be given infrequently, based on objective criteria.

In order for such a gift purchase to be reimbursed, the business purpose for presenting the gift must be documented in accordance with the procedures set forth in Section E, below.

Examples of individuals and organizations that may be presented with a gift on behalf of the University include, but are not limited to, the following:

- A visiting dignitary or scholar, to express appreciation, e.g., a distinguished lecturer;
- A donor or potential donor, to acknowledge a contribution, recognize service, or express sympathy in the event of the death or major illness of a family member;
- A volunteer, to honor the contribution of time or other resources;
- A potential donor, to promote the University's programs or to express the University's goodwill toward the community;
- An organization, to promote goodwill;
- A client, to promote good customer relations;
- A foreign dignitary or University official, to promote goodwill.
- Awards to students

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**B. ALLOWABLE GIFTS**

Gifts in the following categories are allowable under this policy:

- Promotional items -A gift of tangible personal property that bears the logo of the University such as a T-shirt, cap, pennant, mug, or pen. These gifts should be of minimal value (\$50 or less).
- Appreciation or Recognition – Items in this category include gifts of tangible personal property such as tickets to a sporting, theatrical, or musical event, or a non-negotiable gift certificate, and mementos such as a plaque, watch, logo item of more than minimal value, book or the like. The cost of gifts in this category may not exceed \$250 per individual.
- Sympathy Gifts – Gifts in this category include flowers, candy, a book, etc. The cost of such gifts is limited to \$75.

**C. EXCEPTION REQUESTS**

Each request for an exception must include a written justification as to why the higher cost or other deviation from policy is necessary to achieve a University business purpose. Such requests must specify the type of gift, the purpose of the gift, the special circumstances that require such an exception, and the name of the non-University individual or organization on whose behalf the exception is sought. Exceptions must be approved by the President, a Vice President or Auxiliaries Chief Executive Officer / General Manager *in advance of the event/expenditure*.

**D. FUNDING SOURCES**

**Definition of Funding Sources**

**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.

**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 Fund (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.

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**Notes:**

1. *Financial Aid program funds and Capital Outlay funds are excluded from Sources of Funding. They may not be charged for hospitality / gift expenses.*
2. *Special Funds may be used to pay hospitality expenses 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 expenses may be charged to a project or Trust Fund or Special Projects Fund only if authorized by the campus approved project agreement.*

**General Rule**

- *General Fund, Financial Aid Trust Funds and Capital Outlay Funds may not be charged for gift expenses.*
- *Gift of “bottled” alcohol beverages or tobacco products are not permitted regardless of the source of funding.*

**See Appendix: Funding Source Approval / Maximum Rate Matrix**

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**E. PAYMENT OR REIMBURSEMENT PROCEDURES**

**1. General**

Requests for payment or reimbursement of non-cash gift expenditures must be submitted on a [“Request For Payment / Reimbursement Of Hospitality Expenses”](#) form. Each request must include a description of the gift with supporting documentation, such as original receipts or acceptable electronic receipts.

**2. Documentation of Business Purpose**

University policy requires that the business purpose for making a gift be documented. To establish the existence of a business relationship, the name, title, and affiliation of the gift recipient(s) must be included with the request for payment or reimbursement. In addition, except for gifts of minimal value (T-shirts, etc.), the gift should be accompanied by a transmittal letter on official University letterhead, which states that the gift was made on behalf of the University. (A card containing the same information may be substituted.) A copy of the letter (or card) should be attached to the request for payment or reimbursement. However, when in the judgement of the approving authority, it is not practical or appropriate for a formal letter to accompany the gift presented to a donor or a potential donor, the appropriate Vice President should prepare a statement to this effect and attach it to the request to pay or reimburse the cost of the gift. The statement should include the following information, at a minimum:

- Name and title of the person to whom the gift was presented,
- Description and cost of the gift,
- The reason why formal letter could not accompany the gift.

**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 gifts and making adjustments as necessary, and for issuing appropriate procedures for processing claims for gift expenditures.

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

Associate Vice Presidents, College Deans and Auxiliaries Chief Executive Officer / General Manager are responsible for ensuring that gifts 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 gifts 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 gift 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 A**  
(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 gift expenses to non-employees:

<b>Type of Gift Expenditure</b> <i>(see Footnotes)</i>	<b>General Fund Appropriations</b> <i>(see Footnotes)</i>	<b>Special Funds</b> <i>(see Footnotes)</i>	<b>Auxiliary Organization Funding</b> <i>(see Footnotes)</i>	<b>Maximum Limit</b>
Promotional Items	YES	YES	YES	\$50
Appreciation / Recognition	NO	YES	YES	\$250
Sympathy Gifts	NO	YES	YES	\$75

**General Rule**

- The Approving Authority is responsible to determine whether gift expenses serve a bona fide University business purpose.
- In the event of a conflict between the terms of the fund (i.e. funding source) and the University policy, the stricter of the two policies shall apply.

**Footnotes**

*Alcoholic beverages 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.*

*CSU Policy (HR 2001-02) prohibits reimbursement from State (i.e. University) funds for meal expenses “where attendance is primarily for public or community relations” purposes.*