Hospitality Policy Highlights

March 2012
Implementation

• The newly revised and updated SFSU Hospitality Policy and Procedures will be in effect for all hospitality expenses on after April 1, 2012.

• Existing rates and requirements will apply to hospitality events conducted before April 1st, 2012.
Scope

• The CSU Hospitality Policy applies to all hospitality events which will be paid for by the CSU for employees, students, donors, guests, visitors, volunteers, and other individuals as part of a business meeting.

• The expenditure of funds for hospitality should be cost effective and in accordance with the best use of public funds.
Allowable Expenditures

• Hospitality expenses must be directly related to, or associated with, the active conduct of official University business.

• The approving authority must evaluate the importance of event in terms of the costs that will be incurred, the benefits to be derived from such an expense and the availability of funds.
Official Host Responsibility

• Official host must ensure the occasion must in the best judgment of the approving authority, serve a clear University business purpose with no personal benefit.

• They should make certain that the hospitality related expenses are ordinary, reasonable, not extravagant.

• They must provide the business purpose, type of event, location, number of attendees and dates of each event.

• They should make certain that the expenses are substantiated with supporting document.
Approving Authority Responsibility

• Must ensure the appropriateness of use of funds.
• Must ensure expenses are reasonable, not extravagant, necessary, and supported by a business purpose or justification.
• Must validate that the expenses listed were actually incurred and that appropriate supporting documentation is attached.
• Must approve/deny payment of the hospitality claim in a timely manner.
Hospitality Reimbursement Office

- Review/audit for compliance with policy
- Verify appropriate approver
- Ensure appropriate documentation is submitted
- Process reimbursements and payments
SF State’s Maximum Rates For Hospitality (campus specific)

- Breakfast $20.00
- Lunch $30.00
- Dinner $50.00
- Light Refreshments $15.00

- Buffet reception

  *cannot exceed*

  applicable meal allowance

  Amounts *include* tax and service (tips)
Employee Meetings and Recognition Events

- Meals or light refreshments provided to employees on a frequent or routine basis are considered taxable income by the IRS and are not permitted under this policy.
- Meals or light refreshments should be limited to no more than twelve times per year, per group.
- Meals or light refreshments provided to a group will be counted on an event basis. A two day meeting should be counted as one event in determining compliance with these guidelines.
Reimbursements of Spouses and Domestic Partners

• Hospitality provided to the spouse or domestic partner of an employee may be permitted if she or he has a significant role in the proceeding or makes an important contribution to the success of the event.

• This requires high-level authorization of Vice President or above for payment or reimbursement of hospitality expenditures.
Unallowable Expenditures

- Expenses that are of a personal nature and not related to the active conduct of official CSU business will not be reimbursed. Examples include employee birthdays, weddings, anniversaries and baby showers.

- Celebrations of retirement and farewell gathering for employees separating with at least 5 years of service are permissible.
# Funding Source/Rate Matrix

<table>
<thead>
<tr>
<th>Type of Gift Expenditure</th>
<th>General Fund</th>
<th>Special / Aux.</th>
<th>Maximum Limit (campus specific)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotional Items</td>
<td>Yes</td>
<td>Yes</td>
<td>$50.00</td>
</tr>
<tr>
<td>Awards/Recognition</td>
<td>Yes</td>
<td>Yes</td>
<td>$250.00</td>
</tr>
<tr>
<td>Sympathy Gift*</td>
<td>No</td>
<td>Yes</td>
<td>$100.00</td>
</tr>
</tbody>
</table>
Sympathy Gifts*

- Sympathy gifts may be given to immediate family member and significantly close relatives includes:
  - The employee’s spouse or domestic partner
  - The employee’s spouse’s or domestic partner’s father, mother, sister, brother and child
Summary

• SF State’s maximum rates for Hospitality has gone up as of April 1, 2012.

• Meals or light refreshments should be limited to no more than twelve times per year, per group.

• Authorization of Vice President or above for payment or reimbursement of hospitality expenditures to the spouse or domestic partner of an employee.

• At least 5 years of service required for the celebrations of retirement and farewell gathering for employees separating from SFSU.
Contacts

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