

Campus Policy Regarding the Payment or Reimbursement of Hospitality Expenses (Including Food, Refreshments, and Food Related Items)

A. Policy

- A.1. Hospitality expenses (including food and food related items) may be paid with university funds to the extent that the purchase and use of these services and items is consistent with the mission and fiduciary responsibilities of the university. This policy applies to activities that promote the university to the public and the provision of hospitality in connection with official university business and specifies the university funds that may be used for such purposes. In addition, this policy applies to those circumstances where it is appropriate to purchase food items.

B. Authority

- B.1 ICSUAM 1301 and Education Code sections 66600, 89030, 89035, and 89044.

C. Definitions

- C.1. *Approving Authority* – The University Controller has been delegated authority by the President to approve expenses in accordance with this policy. The University Controller is the final determinant when deciding whether charges are appropriate or not.
- C.2. *Auxiliary Organization Funds* – Funds held by a recognized auxiliary organization.
- C.3. *Award* – A tangible personal property item in recognition of service or achievement directly benefiting the university.
- C.4. *Business Meetings* – Administrative meetings of employees of the same work location (the main campus) generally scheduled to last less than four hours. Food and non-alcoholic beverages are allowable using Special Trust Funds or Foundation Funds only if the provision of hospitality is a necessary and integral part of the meeting. General Funds must never be used for these meetings [see Note G.3. below]. It does not include departmental celebrations (which are addressed in Note G.1. below regarding employee morale), officially approved retreats, or collegial dining among co-workers (which are non-reimbursable).
- C.5. *General Fund Appropriations* – Funds appropriated to the university by the State legislature for support expenditures of the university.
- C.6. *Gift* – Anything of value given or bestowed upon an individual, group, or entity with the expectation of benefit accruing to the university.
- C.7. *Hospitality* – The provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies, etc.), promotional materials, gifts, and 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.
- C.8. *Official Host* – A university employee who hosts a meeting, conference, or event.
- C.9. *Official Guest* – A person invited by an official host to attend a university meeting, conference, reception, or event. Examples of official guests include employees from another campus, members of the community, or media representatives. Employees of the university are not considered official guests.
- C.10. *Official Campus Function* – An event that has been approved by the President or Vice Presidents.

- C.11. *Promotional Materials* – A gift of tangible personal property that is distributed to promote the name or image of the university, to provide information, or enhance university productivity. Promotional items are of minor value and bear the logo or other icon or information identifying the university such as a pen, folder, calendar, or clothing. General Funds must never be used if the recipient is an employee.
- C.12. *Retreats* – Administrative meetings of employees of the same work location, generally scheduled to last for four hours or more, and held on an infrequent basis. These meetings are concerned with the welfare of the university, as well as the employee morale of the department. Food and non-alcoholic beverages are allowable only if the provision of hospitality is a necessary and integral part of the retreat. Retreats must have an agenda and be approved in advance by the applicable vice president.
- C.13. *Same Work Location* – The same work location is defined as the department where the employees work.
- C.14. *Special Trust Funds* – Funds authorized for support of activities that are supplemental to the primary mission of the university and are paid for by fees and revenues other than general appropriations. Special Trust Funds include, among others, Continuing Education Revenue Funds, Trust Funds, and Special Project Funds.

D. Allowable Expenses and Occasions

- D.1. Hospitality expenses must be directly related to, or associated with, the active conduct of official university business. When a university employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear university business purpose, with no personal benefit derived by the official host or other university employees. In addition, the expenditure of funds for hospitality should be cost effective and in accordance with the best use of public funds.
- D.2. A general limit of \$125 per person inclusive of meals, refreshments, and other entertainment applies to all events with the expectation that the \$125 limit would be the exception rather than the rule. On occasions where the general limit is insufficient, an explanation of need for the higher cost must be included and approval must be obtained from the approving authority. 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. The approving authority should be comfortable in publically disclosing the cost of the hospitality and entertainment provided, should that be required, and be able to identify the benefit to the University.

E. Prohibited Expenditures

- E.1. Regardless of funding source:
 - E.1.a. Employee birthdays, weddings, anniversaries, showers, and other personal celebrations or acknowledgements.
 - E.1.b. Employee farewell gatherings that are not official campus functions. Designation of farewell event as an official campus function requires vice presidential approval or approval of the executive manager of the auxiliary organization. Official campus functions do not include off-site parties, dinners, or similar events organized by co-workers and friends. [Retirement events are distinct from "farewell gatherings" and are allowed. Refer to the next section for guidance.]

F. Funding Sources

F.1. Expenditures are allowed from the funding sources indicated below:

Expenditures	Funds
Employee morale and awards to employees. [see Note G.1. below]	<ul style="list-style-type: none"> • All funds
Official campus functions, including retirement receptions. [see Note G.1. below]	<ul style="list-style-type: none"> • All funds
Gifts. [see Note G.1. below]	<ul style="list-style-type: none"> • Auxiliary Organization Funds • Special Trust Funds (consistent with fund purpose)
Food and beverages when hosting non-campus persons. [see Note G.2. below]	<ul style="list-style-type: none"> • Auxiliary Organization Funds • Special Trust Funds • General Fund (alcohol prohibited)
Food and non-alcoholic beverages for business meetings attended only by employees of the same work location (other than retreats). [see Note G.3. below]	<ul style="list-style-type: none"> • Auxiliary Organization Funds • Special Trust Funds (consistent with fund purpose)
Food and non-alcoholic beverages for university-hosted receptions for employee recognition.	<ul style="list-style-type: none"> • Auxiliary Organization Funds • Special Trust Funds (consistent with fund purpose)
Promotional items.	<ul style="list-style-type: none"> • All funds (If recipient is University employee, General Funds must never be used).
Relationship-building activities with donors and others. [see Note G.4. below]	<ul style="list-style-type: none"> • Auxiliary Organization Funds • Special Trust Funds (consistent with fund purpose)
Travel (transportation and lodging). [see Note G.5. below]	<ul style="list-style-type: none"> • All funds
Community involvement donations. [see Note G.6. below]	<ul style="list-style-type: none"> • Auxiliary Organization Funds
Social Memberships (Organizations must not discriminate against any individual)	<ul style="list-style-type: none"> • Auxiliary Organization Funds
Food and beverages for officially approved retreats.	<ul style="list-style-type: none"> • Auxiliary Organization Funds • Special Trust Funds (alcohol prohibited) • General Fund (alcohol prohibited)
Alcoholic beverages.	<ul style="list-style-type: none"> • Auxiliary Organization Funds • Special Trust Funds (see Note G.2 below)

G. Notes:

- G.1. Positive employee morale is a valuable resource. Accordingly, within the constraints imposed by system policy, particularly ICSUAM 1301.00, this policy allows for expenditures supportive of employee morale (other than those previously identified as prohibited). Official campus functions, such as Staff Awards and Recognition (STAR) Day, Provost, President's or Vice Presidential Award ceremonies and retirement receptions (for employees with at least 5 years of service), are included as they promote employee morale.
- G.2. Food and beverages when hosting non-campus persons for the purpose of promoting the campus are allowed. Alcoholic beverages cannot be purchased with General funds. Special Trust funds may be used under the following conditions: The Special Trust Fund contains no funds collected from students. The Special Trust Fund Agreement must specifically allow alcohol, and the VP's signature is required for each alcohol transaction.
- G.3. Special Trust Funds may be used for food with on-campus only attendees and is limited to twelve times per year, per group. After that, Foundation funds must be used. Departments are responsible for tracking the twelve limit rule. General Funds must never be used for business meals and refreshments with on-campus only attendees.
- G.4. Upon the judgment of the approving authority, activities other than dining may be used as venues for cultivating donor support or for establishing and building relationships with individuals or corporations, which are of benefit to the university. An example might be golf or sporting events. Documentation must address and support the benefit to the university. Entertainment of vendors must be carefully executed in order to avoid giving the appearance to other vendors of impaired impartiality. Entertainment of vendors to solicit donor support should be restricted to those situations where (1) the university already has, through contract or purchase order, established the business relationship with the vendor; or (2) the university does not intend to do contractual business with the vendor. At the judgment of the administrator, entertainment of vendors to establish or improve relationships dependent on personal interaction is allowable.
- G.5. Upon the judgment of the approving authority, travel for building relationships with individuals or corporations, including cultivating donor relationships, is permitted. This includes reimbursement of travel expenses of invited university guests. Alcoholic beverages cannot be paid from General funds. (See Note G.2.)
- G.6. Community involvement donations include purchases of tables at fund-raising events of, and contributions toward not-for-profit organizations whose purposes intersect with or promote the mission of the university.

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