

University Corporation, SF State (UCorp)

Policy: Hospitality

Effective Date: January 1, 2019

Revised Date: n/a

Purpose

The objective of this policy is to ensure UCorp's compliance with the ICSUAM Policy Number 1301.00 and compliance with IRS regulations concerning meal allowances and entertainment.

Policy: UCorp funds may be used to provide hospitality to SFSU or UCorp employees, students, donors, visitors, volunteers, and other individuals as part of a business meeting; recreational, sporting, or entertainment event; or other occasion that promotes the mission of SFSU or UCorp. This policy also addresses meals served to employees as part of a morale-building function and meals provided to prospective students and employees.

Scope

This policy governs the appropriate use of UCorp funds used for hospitality expenses. UCorp will comply with additional restrictions when established by the funding sources. Recognized student organizations are not subject to this policy.

PROCEDURES

Hospitality Requests must be submitted to UCorp and backed up with all relevant receipts and/or contracts. Requests must be signed by Project Director or other authorized signer.

DEFINITIONS

Authorized Signer – a person to whom authority has been delegated in writing to approve expenses for meals, light refreshments, and other amenities described within the policy.

Employee – Employee of SFSU or UCorp.

Employee Meetings and Recognition Events – meetings which serve a CSU business purpose and are generally administrative in nature such as meetings of the Academic Senate, meetings of deans and directors, employee morale functions, extended formal training sessions, conferences, extended strategic planning sessions, and meetings of appointed workgroups and committees.

Hospitality – the provision of meals (catered or restaurant) or light refreshments, entertainment services, promotional items, gifts, awards, and service recognition. Hospitality includes expenses for

activities that promote SFSU or UCorp to the public, usually with the expectation of benefits accruing directly or indirectly to the CSU.

- *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 & Beverage* – the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies).
- *Gifts, Awards, and Prizes* – something of value given or bestowed upon an individual, group, or entity in recognition of service to SFSU or UCorp or achievement benefitting SFSU or UCorp with the expectation of benefit accruing to SFSU or UCorp or for other occasions that serve a bona fide business purpose.
- *Promotional Items* – Items that display the name, logo, or other icon identifying SFSU or UCorp such as a keychain, coffee mug, calendar, or clothing.

Memberships in Social Organizations – clubs, athletic clubs, civic organizations, and other membership organizations that provide a venue for hosting hospitality events or a means for promoting goodwill. 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 – a UCorp governing board member, an SFSU or UCorp employee who hosts guests at a meeting, conference, reception, activity, or event for the active conduct of SFSU or UCorp business.

Official Guest – a person invited by an official host to attend an SFSU or UCorp meeting, conference, reception, activity, or event. Examples of official guests include employees visiting from another work location, students, donors, recruitment candidates, volunteers, community members, or media representatives.

Public Purpose – or business purpose includes expenses that serve a purpose consistent with the mission and fiduciary responsibilities of SFSU or UCorp.

Work Location – the place where the major portion of an employee's working time is spent or the place to which the employee returns during working hours upon completion of special assignments. The employee's department determines what constitutes an individual employee's work location for the purpose of these procedures.

ALLOWABLE EXPENDITURES

Hospitality expenses must be directly related to, or associated with, the active conduct of official SFSU or UCorp business. When an employee acts as an official host, the occasion must, in the best judgment of the authorized signer, serve a clear SFSU or UCorp 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 UCorp funds.

Employee hospitality must conform to IRS regulations. Any award that is received by an employee is taxable income and must be reported to the IRS as appropriate.

When determining whether a hospitality expense is appropriate, the authorized signer 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:

- SFSU or UCorp hosts or sponsors business meetings that directly correlate with the operations of SFSU or UCorp;
- SFSU or UCorp hosts official guests with an interest in SFSU or UCorp;
- SFSU or UCorp is the host or sponsor of a meeting of a learned society or professional organization;
- SFSU or UCorp hosts receptions held in connection with conferences, meetings of a learned society or professional organization, meeting of student organizations and groups, student events such as commencement exercises, and events or meetings of other SFSU or UCorp groups such as the Alumni Association;
- SFSU or UCorp hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors;
- SFSU or UCorp hosts receptions for the benefit of employee morale, employee recognition, and official presentation for length of service or exceptional contributions of service awards, with at least 5 year of service.

Employee Meeting and Recognition Events – Hospitality provided to employees may be permitted when it serves an SFSU or UCorp business purpose. Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently, are reasonable and appropriate to the business purpose. 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. 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.

The maximum allowance for meals, including food, beverages, sales tax, delivery, and service fees (tips) are:

Breakfast	\$25.00
Lunch	\$35.00
Dinner	\$75.00
Light Refreshments	\$35.00

Spouses and Domestic Partners – Hospitality provided to the spouse, domestic partner, or significant other of an employee may be permitted when it serves an SFSU or UCorp 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 hospitality payment request.

Students and Prospective Students – Hospitality provided to students or prospective students may be permitted when it serves an SFSU or UCorp business purpose. To justify the expenditures of UCorp funds, one must determine that the expenditure will benefit the education of students. 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.

UNALLOWED EXPENDITURES

Personal Benefit – Hospitality expenses that are of a personal nature and not related to the active conduct of official SFSU or UCorp business will not be paid or reimbursed. Examples include, but are not limited to, sympathy & get-well flowers, employee birthdays, weddings, anniversaries, and baby showers.

Discrimination – Hospitality expenses will not be paid or reimbursed for membership in social organizations, activities, or entertainment services that discriminate based on age, disability, gender, gender identity, gender expression, genetic information, marital status, medical condition, nationality, race or ethnicity, religion, sexual orientation, sex stereotype, veteran or military status, as stated in EO1096.

FUNDING SOURCES

Campus Program Funds - Hospitality expenses may be charged to campus program funds provided the expenses serve a bona fide business purpose, to the extent the expenses are not restricted by other applicable laws, regulations, or funding source agreements.

Sponsored Program Funds – Grants from State and Local governments and private foundations may be used for hospitality expenses if they are authorized in the agreement. In the event of a conflict between agency policy and UCorp policy, the stricter of the two policies shall apply. Private foundation grants for general programmatic use may be used to fund hospitality expenses.

PROCESS

Hospitality requests will be reviewed by UCorp staff for appropriateness and funding availability, and will be paid when both are confirmed by the Associate Director of Program Services. If the documentation provided is insufficient, or adequate funding is not available, UCorp staff will contact the

program office to see if a suitable solution exists. Every attempt will be made to pay approved hospitality expenses on the next available check run.

For information on completing a hospitality request, go to <http://ucorp.sfsu.edu/hospitality> on the UCorp website.