

## HOSPITALITY EXPENSES POLICY

### I. NAME

This document shall be called the Hospitality Expenses Policy.

### II. PURPOSE

This policy has been developed to define hospitality expenses.

### III. DATE OF EFFECTIVENESS

This policy shall be effective upon approval of the Associated Students Board of Directors (AS BOD).

### IV. AMENDMENTS

This policy may be amended by a 2/3 majority vote of the AS BOD.

### V. POLICY

A. The policy of the AS with respect to the payment of hospitality expenses is designed in alignment with Executive Order #761 and the corresponding policies of the Associated Students, California State University, Chico.

Hospitality expenses may be paid with AS funds to the extent that the purchase and use of these services and items

- is consistent with the mission and fiduciary responsibilities of the AS.
- conforms to IRS regulations,
- is reasonable and allocable to the project being charged, and
- represents the best use of AS funds.

This policy applies to activities that promote the AS to the campus community and public and the provision of hospitality in connection with official AS business. It also specifies which AS funds may be used for such purposes.

### B. AUTHORITY

California Code of Regulations, Title 5, Division 5, California Code of Regulations; Section 41600, 41601; California Education Code Sections 66600, 89030, 89035, 89044; HR 96-11.

### C. DEFINITIONS

*Approving Authority* - a person to whom authority has been delegated in writing to approve expenses in accordance with university or AS.

*Award* - a gift of tangible personal property in recognition of service or achievement directly benefiting the AS.

*Business Meal* – a meal at which official AS business is conducted and meets the standards for reimbursement set forth in Table I below. To qualify as a reimbursable Business Meal, the meal must be a necessary and integral part of the business meeting.

*Gift* - something of value given or bestowed upon an individual, group, or entity with the expectation of benefit accruing to the AS.

*Honorarium* – a payment given as a token of thanks and appreciation, as to a guest speaker.

*Hospitality* - the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies, etc.) at a business event or meeting, or the provision of promotional materials, gifts, and travel expenses to official guests of the AS. Hospitality includes expenses for activities that promote the AS to the public and foster community relations, usually with the expectation of benefits accruing directly or indirectly to the AS.

*Official Host* - an AS employee or elected officer who hosts a meeting, conference, or event.

*Official Guest* - a person invited by an official host to attend an AS meeting, conference, reception, or event. Examples of official guests include employees and students from another campus, members of the community, or media representatives. Employees and students of the AS are not considered official guests.

*Promotional Materials* - a gift of tangible personal property of minor value that is distributed to promote the name or image of the AS to provide information, to enhance employee morale, or to enhance campus productivity. Promotional items for employees as part of morale building, appreciation or recognition activities. These should be minimum in value (not to exceed \$50 – no exceptions), provided infrequently and serve a purpose consistent with the mission of the AS.

*Reasonable Cost* – the amount a prudent person would have paid for the goods or services under the circumstances.

*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.

#### D. ALLOWABLE EXPENSES AND OCCASIONS

Hospitality expenses must be directly related to, or associated with, the active conduct of official AS business. When an AS employee or elected official acts as an Official Host, the occasion must, in the best judgment of the approving authority, serve a clear business purpose, with no personal benefit derived by the Official Host or other AS employees or representatives. In addition, the expenditure of funds for hospitality should be cost

effective and in accordance with the best use of funds.

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. Hospitality expenses, including awards and gifts, must conform to IRS regulations.

Hospitality expenses are allowable in the following circumstances:

- When the AS hosts Official Guests, including auxiliary employees and students visiting from another campus, gifts should bear the logo of the campus or AS and be of minimal value (\$35 or less);
- When the AS is the Official Host or sponsor of a meeting of a learned society or organization;
- When the AS is the host or sponsor of meetings of an administrative nature that are directly concerned with the welfare of the AS and the provision of hospitality is a *necessary and integral* part of the business meeting and not solely a matter of personal convenience;
- When the AS hosts receptions held in connection with conferences, meetings of auxiliary organizations, fundraising events, meetings of student organizations and groups, student events such as commencement exercises, and meetings of other university-related groups such as alumni organizations;
- When the AS hosts receptions for the benefit of employee morale, employee recognition, or length of service awards or retirement presentations;
- When the AS hosts job candidates.

Payment of or reimbursement for hospitality expenses are not permitted when these expenses are strictly entertainment in nature and not related to the active conduct of official AS business.

#### E. FUNDING SOURCES

Hospitality expenses may be paid from various AS fund sources, subject to the rules outlined below and the restrictions identified in Table 1. There are four types of funds available for the payment of hospitality expenses:

- Activity Fee funds
- Student Union funds
- Auxiliary Business funds
- Board Designated funds (RAC)

#### F. APPROVAL OF TRANSACTIONS

When requesting reimbursement, individuals must adequately document the business purpose of the hospitality expense. The following information is considered appropriate when submitting requests for reimbursement of a hospitality expense:

- The nature of the expense or activity;
- The date, time and location of the meeting or activity;
- The number of guests in attendance
- The business purpose served and benefit to the AS.

Original itemized receipts or invoices are required as documentation for the reimbursement and for audit purposes. Payments not supported with original itemized receipts are considered income by the IRS and are reportable.

Individuals with delegated approval authority may not approve their own expenses and individuals may not approve expenses of their supervisor. However, the Financial Services Director may approve expenses of the Executive Director.

**Table I**  
**AS Chico Associated Students**  
**Eligible Hospitality Expenses by Funding Source**

<b>Hospitality Expenses</b>	<b>Activity Fee and Board Designated Funds</b>	<b>Students Union Funds</b>	<b>Auxiliary Business Funds</b>
Food and beverages (other than alcoholic beverages) for meetings attended only by employees of the same work location (qualifies as business meal expense)	Yes	Yes	Yes
Food and beverages (other than alcoholic beverages) for meetings attended by official guests (qualifies as business meal expense)	Yes	Yes	Yes
Alcoholic Beverages	No	No	Yes
Gifts/Honoraria	Yes	Yes	Yes
Awards	Yes	Yes	Yes
Promotional Items	Yes	Yes	Yes
Travel	Yes	Yes	Yes
Receptions and events directly related to AS activities	Yes	Yes	Yes

Approved BOD: 4/4/01  
Revisions Approved: 4/16/21