

Hospitality Policy Updates

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Hospitality Policy - Updates

- CSU Policy was updated in 2023
- Campus Policy was updated effective February 1, 2024
- Focus on appropriate use of university resources
- Valid business purpose
- Rates have been updated and clarified
- Awards and Incentives are now included and the reconciliation form has been updated
- Hospitality Justification Form has new requirements

What is Hospitality??

There are different types of Hospitality Expenses:

- **Entertainment Services** (reasonable expenses as part of an event includes, equipment and venue rental, music/performers)
- **Food and Beverage** (reasonable provision of a meal and/or light refreshments (non-alcoholic beverages, appetizers, pastries))
- **Awards/Prizes** (prizes, trophies, plaques, etc., must serve a bona fide business purpose)
- **Incentives** (to gain participation in a research-funded survey or study)
- **Promotional Items** (must display the name, logo or other icon identifying the University such as a keychain, coffee mug, calendar, or clothing that are generally of minor value (\$50 or less))

There are different types of events or activities involving Hospitality Expenses: Commencement, Official Meetings, Community Outreach, Student Events, Employee Recognition, Employee Morale, Department/Employee Meetings

What are Unallowable Expenses??

- Alcohol
- Discriminatory Activities
- Employee farewells that are not official campus functions (VP approval)
- Employee retirements with less than 5 years of service
- Memorial Services
- Personal Benefit
- Taxable Hospitality Activities
- Tobacco

Hospitality Policy - Appropriate Expenses

Hospitality expenses may be paid to the extent that such expenses are

- **necessary,**
- **appropriate** to the occasion,
- an **appropriate** use of university resources,
- **reasonable** in amount and
- **serve a purpose consistent with the mission and fiduciary responsibilities of the University (valid business purpose)**

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 Policy Justification Form

All hospitality expenses must have a completed Hospitality Justification Form, approved by the supervisor of record for the Host of the event/activity. The purpose of the Hospitality Justification Form is to justify the items being purchased, not just the event. The Hospitality Justification Form should be completed/approved prior to any expense being incurred.

Information required on the justification form includes:

- The type of event (business meeting, department meeting, host of official guest, employee recognition, reception, fundraising or community outreach, etc.).
- If the meeting is recurring.
- The business purpose of the meeting or event. The business purpose must be specific and provide enough information to a third-party reviewer to understand the nature and purpose of the meeting. Type of hospitality (meals/refreshments, promotional items, etc.)
- Location and date.
- List of attendees and their business relationship to the campus.
- The cost of the meal per attendee.

Hospitality Policy Justification Form



Hospitality Justification Form

Required for hospitality related expenses including, but not limited to, entertainment services, food and beverages, awards and incentives, and promotional items. Attach this completed form to your requisition or expense reconciliation/reimbursement request.

Name of Host/Sponsor: _____

Date, Time: _____ Location: _____

Guest List: If there are 10 or more attendees, please attach a guest list that includes the name and relationships of guest to the University, (i.e., donor, faculty/staff, student, prospective student, official guest, etc.)

Name	Relationship to University
	Choose an item.
	Choose an item.
	Choose an item.
	Choose an item.
	Choose an item.
	Choose an item.
	Choose an item.
	Choose an item.
	Choose an item.
	Choose an item.

Type of Hospitality: Awards and Prizes

Type of Event: Choose an item.

Type of Meal: Choose an item.

Estimated Cost Per Attendee: _____

See the Hospitality Policy for maximum amounts per person.

Have you obtained a catering waiver if not using Aztec Shops for on campus catering? Yes No

If this is a recurring meeting, what is the frequency: Choose an item. _____

Business Purpose / Benefit to University – Please describe the business purpose / benefit to the University. Given that judgment is very often an intangible but nonetheless critical basis for an expenditure, be as specific as possible when providing the business purpose and benefit to the university.

Expenditure Distribution Account

ORG	ACT	NACCT	ENDV	FUND	FUNC
		66025			

Approval (You may not approve your own expenses or those of your supervisor)

Approval indicates that you deem this hospitality expense is necessary, appropriate to the occasion, reasonable in amount and serves a purpose consistent with the mission and fiduciary responsibilities of the University.

Preparer of Record (print): _____ Date: _____

Supervisor of Record (print): _____ Date: _____

Supervisor of Record (signature): _____

As Supervisor of Record of the Host/Sponsor, I have authorization to verify the validity of and approve this expenditure. (Per Center of Human Resources)

FAH Approval (print): _____ Date: _____

FAH Approval (signature): _____

As FAH Approver, I have authorization to provide fiscal approval of this expense and verify the proper use of funds.



Hospitality Policy - Business Purpose

Hospitality expenses may be paid to the extent that such expenses **serve a purpose consistent with the mission and fiduciary responsibilities of the University (valid business purpose)**

- This event is directly tied to the University's Strategic Plan. Leadership is committed to developing new goals and continued support of the university. This event directly impacts our division as well as the retention of faculty and staff. It is vital to have such an event to ensure all leadership is working toward a common goal and building community.
- Career Fair, featuring light refreshments and beverages to encourage participation and provide a welcoming environment for employers, recruiters. The event will build relationships through partnerships, education and programming.
- Students' outreach and recruitment events support the University's strategic plan. No matter SDSU's campus or program location, the collective mission is to support the educational and economic development of communities while creating a sense of unified belonging for students, faculty, staff and alumni.

Hospitality Policy - Rates for Meal/Refreshments

- Policy now notes two sets of rates - State Funds and Auxiliary Funds
- 3 categories of rates
 - Routine Department Events
 - Catered Events
 - Events at Snapdragon Stadium
- Rates include the total cost of food, beverage, labor, tax and service fees
- Rates do not include equipment, linen, china or similar rentals
- Rates need to be included in the Hospitality Justification Form
- Rates apply based on the nature of the event, not the geographic location

Hospitality Policy - Rates

Meal type	Routine/ Departmental Events	Catered Events	Events at Snapdragon Stadium
Breakfast	\$ 35	\$ 50	\$ 60
Lunch	\$ 50	\$ 75	\$ 85
Reception/Light Appetizers ¹	\$ 30	\$ 40	\$ 50
Dinner/Heavy Appetizers ²	\$ 80	\$ 125	\$140

Campus maximum rates are established to allow for different levels of hosting, including campus events catered by Aztec Shops, high level donor cultivation events and events at Snapdragon Stadium. Departments are to use discretion when hosting routine and departmental events.

Campus maximum rates include the total cost of food, beverages, labor, sales tax, delivery and other service fees.

Routine/Departmental Events include periodic meetings or employee morale events where sandwiches or simpler meals are provided.

Catered Events include meals at off campus restaurants, events at off campus venues and events catered by Aztec Shops; these are typically donor cultivation events or partnership/development events.

¹ Receptions or other events where light appetizers are served, including receptions preceding a dinner event.

² Receptions where heavy appetizers are served in lieu of dinner, including lengthier events held at Snapdragon Stadium.

Employee Meetings

Food and beverage provided to employees may be permitted if the expenses occur **infrequently**, are **reasonable**, and when it **serves a university business purpose**. Food and beverage at meetings that are carried out on a routine or frequent basis are not permitted under this policy. Additionally, public expenditures that are driven by **personal motives** are an impermissible use of public funds. When a meeting takes place in-person over an extended period and the agenda includes a working meal, there may be justification that the meal is integral to the business function such as in the following examples:

- An in-person meeting where there is a scheduled speaker during the meal period.
- An in-person meeting where the participants work through the meal period.
- Circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the in-person meeting location.

The meeting agenda must be submitted with the Hospitality Justification Form when payment is requested.

Calculating the Rate per Person

Campus maximum rates include the total cost of food, beverages, labor, sales tax, delivery and other service fees.

Food/Service Items			
Food/Service Items	Qty	Price	Total

Reception - Saturday, August 10, 2024 - 5:30 pm

Reception with Glassware:

Hosted Premium Bar with Tray Passed Wine: Justin Cabernet & Sauvignon Blanc & Mezzacorona Chardonnay Coors Light & Miller Light Modelo Especial & Dos Equis SDSU Pale Ale and Ballast Point Fathom Canned Water, Assorted Sodas, Sparkling Water, Lemon, & Lime Sliced Lemons & Limes	45	\$19.00	\$855.00
Alcohol Permit (Non-refundable)	1	\$115.00	\$115.00
Bartender	1	\$210.00	\$210.00

45 Attendees	\$ 694	\$ 2,934	\$ 1,263	\$ 364	\$ 5,255
Labor		\$ 520	\$ 210		\$ 730
Taxable	\$ 644	\$ 2,203	\$ 855	\$ 338	\$ 4,040
Nontaxable			\$ 115		\$ 115
Tax	\$ 50	\$ 211	\$ 83	\$ 26	\$ 370
Per Person	\$ 15	\$ 65	\$ 28		

Reception - Saturday, August 10, 2024 - 6:00 pm

Reception with Hors D'oeuvres:

Doz. Roasted Vegetable Napoleon (GF, Veg)	4	\$110.00	\$440.00
Doz. Lemongrass Chicken Summer Roll	4	\$51.00	\$204.00

Plated Service - Saturday, August 10, 2024 - 6:00 pm

Sit-Down, Plated Dinner: Pre-Set Water & Iced Tea upon request Pre-Set Artisan Bread & Butter	45		
Pre-Set Salad (gfr, v)	45		
Served Entree: Duet of Short Rib and Sea Bass (gfr)	34	\$50.00	\$1,700.00

Calculating the Rate per Person

E10997 - University Relations & Development

Served Entree: Seared Sea Bass (gfr)	7	\$45.00	\$315.00
Served Entree: Vegetarian Option (gfr, v)	4	\$47.00	\$188.00
Served Dessert: Seasonal Berry Tart (veg)	44		
Chef's Choice Dessert: NO Strawberries (allergy)	1		
Served Coffee/Decaf/Hot Tea with Dessert			
Client to Coordinate/Provide: Florals, Linen, and Rentals			
Tray Pass Servers:	2	\$210.00	\$420.00
China Fee:	1	\$338.00	\$338.00
Labor Fee:	1	\$100.00	\$100.00

45 Attendees	\$ 694	\$ 2,934	\$ 1,263	\$ 364	\$ 5,255
Labor		\$ 520	\$ 210		\$ 730
Taxable	\$ 644	\$ 2,203	\$ 855	\$ 338	\$ 4,040
Nontaxable			\$ 115		\$ 115
Tax	\$ 50	\$ 211	\$ 83	\$ 26	\$ 370
Per Person	\$ 15	\$ 65	\$ 28		

	& Beverage	Donation	Bar Service	Discounts	Non Taxable	Delivery	Misc	Total
Subtotal	\$3,705.00	\$0.00	\$1,065.00	\$0.00	\$115.00	\$0.00	\$0.00	\$4,885.00
Taxes	\$287.14	\$0.00	\$82.54	\$0.00	\$0.00	\$0.00	\$0.00	\$369.68
Total	\$3,992.14	\$0.00	\$1,147.54	\$0.00	\$115.00	\$0.00	\$0.00	\$5,254.68

Subtotal	\$4,885.00
Taxes (7.75%)	\$369.68
Balance	\$5,254.68
Paid	\$0.00

Hospitality Policy - Awards and Incentives

The University may establish an award program to the extent that such expenses serve a purpose consistent with the mission and fiduciary responsibilities of the University and aligns with IRS regulations. Awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in research-funded survey or study as well as employee recognition and official presentations for length of service awards, with at least 5 years of service are examples of a bona fide business purpose.

Cash and cash equivalent items, such as gift cards and gift certificates, no matter how small, are always taxable to the employee as wages. A non-cash award or prize may have a taxable consequence to the employee if it does not meet the IRS definition of de minimis and infrequent.

Hospitality Policy - Awards and Incentives

Awards

Awards must be given as part of an established and documented university award program, including eligible awards and per person limits. Award programs are established by approval of the president or vice presidents. This applies to awards to employees for exceptional contributions, to students for excellence, as well as employee recognition and length of service awards (with at least 5 years of service). Examples of established award programs include, but are not limited to, the Presidential Staff Excellence Awards, Faculty Distinguished Service Awards, Aztec Achievement Awards, Student Symposium Awards, Staff Awards, etc. The amount of the award is defined by each award program, generally de minimis in value (\$50 or less). Please see **Appendix B** of the Hospitality Policy for additional guidance on university procedures for awards and incentives.

Hospitality Policy - Awards and Incentives

Participation Incentives

Principal Investigators (PIs) and administrators may provide Incentives, in the form of promotional items and gift cards, to individuals for their participation in research studies and other projects requiring incentive payments or to increase participation in official university functions. The amount of the incentive is defined by each incentive program, generally de minimis in value (\$50 or less). Please see **Appendix B** of the Hospitality Policy for additional guidance on university procedures for awards and incentives.

Hospitality Policy - Awards and Incentives

If an award or incentive is given, a Hospitality Justification form AND an Award and Incentive Payments Reconciliation form are required.

Advances are no longer required for Awards and incentives. Awards and Incentives include items given to:

- employees for exceptional contributions, provided through University established recognition programs
- to students for excellence, and
- individuals to participate in a research-funded survey or study
- employees for University established recognition/length of service awards, with at least 5 years of service.

There may be a tax implication from receiving awards or incentives. As such, the Award and Incentive Payment Reconciliation Form must be completed. This form replaces the Receipt of Item form and is used to track the value of all awards or incentives given out.

Please work with your Divisional Resource Management Team before giving out awards and incentives - they will help you determine if they are appropriate under the policy.

Award and Incentive Payments Reconciliation Form

This form replaces to old ROI form (Receipt of Item Form)



Award and Incentive Payments Reconciliation Form

Required for any awards or incentive payments given in accordance with University Policy. Attach this completed form to your expense reconciliation/reimbursement request.

Name of Event/Study: _____

Name of Department Contact/Principle Investigator (PI): _____

Itemized receipts for purchases must be attached to this form. Any unused awards/incentives must be returned to the vendor if possible or returned to Accounts Payable (AD-116).

Participant Name or Unique Identifier	Red ID (if applicable)	Award/Incentive Type (Gift Card, other)	Date Disbursed	Total Value Disbursed



Questions?

