

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
HOSPITALITY POLICY**

GUIDELINES

- CSU PolicyStat 13790907 – Hospitality Policy
- CSU Travel and Business Expense Reimbursement Policy
- IRS Publication 5137, Fringe Benefits Guide
- Government Code 8314
- California Constitution, Article 16, Public Finance 6
- California Education Code on the authorities of the Trustees (Sections 66600, 89030, and 89035)
- California Education Code and Title 5 regarding campus community relations funds (Sections 89044, 41600, and 41601)
- Title 5 regarding the authority of the campus president to require auxiliary organizations to operate in conformance with campus policies (Section 42402).

DEFINITIONS

- **Approving Authority:** a member of the USU management team who has been delegated to review and approve hospitality expenses. Individuals with delegated approval authority shall not approve their own or their supervisor's hospitality expenses.
- **Continuous Service:** the employee's service is continuous without any break in service. Continuous service includes employment status as a student assistant, hourly, or staff employee.
- **De Minimis:** small in value, relative to the value of total compensation. The IRS has ruled previously in a particular case that items with a value exceeding \$100 could not be considered de minimis, even under unusual circumstances.
- **Employee Recognition Events:** memorial services, celebrations of retirement, and farewell gatherings for employees separating with at least five years of continuous service or employees who have made significant contributions to the USU as determined by the Executive Director.
- **Hospitality:** Includes entertainment services, food and beverage, awards, prizes, gifts, and promotional items.
 - **Entertainment Services:** reasonable expenses as part of a public purpose event, includes, but is not limited to, equipment and venue rental, décor, music, and performers.

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- **Food & Beverage:** reasonable provision of a meal (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies).
- **Awards and Prizes:** something of value given to or bestowed upon an individual, group, or entity in recognition of service to the University or achievement benefiting the University or USU or for other occasions that serve 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 employees as wages and reported to the Financial Aid Office for student recipients. A non-cash award or prize may have a taxable consequence if it does not meet the IRS definition of de minimis and infrequent.
- **Promotional Items:** items that display the name, logo, or other icon identifying the USU or University such as a keychain, coffee mug, calendar, or clothing
- **Meetings & Trainings:** meetings that may include employees, Board members, or volunteers and serve a USU business purpose. These meetings are generally administrative in nature or involve training and development.
- **Membership in Social Organizations:** university clubs, athletic clubs, civic organizations, and other membership organizations that provide a venue for hosting hospitality events or a means for promoting goodwill in the community. 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 Guest:** a person invited by the official host to a USU meeting, reception, activity, or event. Examples include employees visiting from another location or campus, donors, students, volunteers, and members of the community. Travel reimbursements must follow the USU Travel Policy.
- **Official Host:** auxiliary governing board member or auxiliary employee who hosts guests at a meeting, conference, reception, activity, or event for the active conduct of auxiliary business.

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POLICY

It is the policy of the University Student Union (USU) that hospitality expenses may be paid to the extent that such expenses are necessary, appropriate to the occasion, reasonable in amount and serves a purpose consistent with mission and fiduciary responsibilities of the USU.

Hospitality expenses must be directly related to, or associated with, the active conduct of University Student Union business. When an employee meeting takes place or when a USU employee or Board member acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear USU purpose with no significant personal benefit derived by the official host or USU employee.

The expenditures of funds for hospitality should be cost effective. 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 Executive Director/Designee is authorized to make limited exceptions to this policy. The reason for the exception must be documented in writing.

Approved by the Board of Directors on December 4, 2023

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PROCEDURE

I. Responsibility & Payment Approval Authority

- A. The Executive Director and each management team member are responsible for dissemination and implementation of this policy within their respective areas.
- B. The Executive Director or members of the management team are responsible for the review and approval of the Hospitality Justification Form ensuring that it is complete, accurate, and all supporting documentation is attached.
- C. Pre-approval is required for hospitality expenses equal to or greater than \$1,000 before funds can be disbursed.

II. Hospitality Justification Form

- A. All hospitality expenses must have a completed and approved Hospitality Justification Form submitted with supporting documentation such as a quote, invoice, or receipts when requesting payment or disbursement. Electronic or copies of supporting documentation is acceptable in lieu of an original quote, invoice, or receipt.
- B. The following information must be completed and/or attached on the form:
 - The account number, account name, and department
 - Event purpose
 - Event Title
 - Business purpose - the business purpose must be specific and provide enough information to a third-party reviewer to understand the nature and purpose of the meeting.
 - Event Information
 - Date
 - Location
 - If the meeting is re-occurring or not. If the meeting is re-occurring, list the frequency of the meeting.
 - Attendees (students, faculty, staff, alumni, spouse/domestic partner, or other)
 - Number of Attendees – for a large group where the names of the attendees are unknown, a description of the group is sufficient.
 - Average cost of a meal per attendee if applicable.

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- Areas of hospitality being proposed:
 - Gifts
 - Awards & Prizes
 - Entertainment Services
 - Meals and Refreshments
 - Promotional Items
 - Service and/or Recognition
 - Official Guests
 - Other
- Type of Event
 - Business Meeting
 - Host of Official Guest
 - Employee Recognition
 - Event tied to a CSUN-related Activity
 - Promotion of the USU and/or University Mission
 - Community Outreach Event
 - Fundraising Event
 - Other
- Budget Information
 - Quotes
 - Invoices
 - Cost of Meal per Attendee
 - List of Attendees including Campus Business Relationship
- Approvals

c. Itemized receipts are required to establish that the expense was incurred by the USU or by an authorized USU employee. For example, receipts for catered or restaurant meals must include the detailed cost breakdown for every meal.

III. Allowed Hospitality Events

A. Hospitality is allowed for the following purposes:

- Meetings:
 - **USU Business Meetings:** provision of meals and refreshments for meetings held infrequently and serve a USU business purpose. These meetings are usually of an administrative nature or involve training and development.
 - Meals and refreshments provided in the course of a business meeting must be modest and reasonably priced.

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- Provision of meals and refreshments that are carried out on a routine or frequent basis are not permitted under this policy.
- When a meeting takes place over an extended period of time and the agenda includes a working meal, there may be justification that the meal is integral to the business function.
- **Executive Director Meetings:** provision of meals and refreshments with the Executive Director, members of the Board of Directors and management team members.
- **USU Board Chair Meetings:** provision of meals and refreshments with fellow Board members; management team members; the Associated Students President; or other University or auxiliary personnel.
- **Executive Secretary Meetings:** provision of meals and refreshments with the Committee Chair and or Co-Chair and Executive Secretary and/or backup Executive Secretary.
- **Host to Official Guests:** the provision of meals or light refreshments for official guests of the USU including visitors from other universities, USU business partners, or members of the community.
- **Employee Recognition Events & Appreciation:** the provision of meals and refreshments and awards for employee appreciation, memorial services, celebrations of retirement, and farewell gatherings for staff employees separating with at least five years of continuous service and/or employees who have made significant contributions to the USU as determined by the Executive Director.
- **Fundraising Event:** events conducted for the sole purpose of raising charitable funds where participants make a charitable donation and a purchase for the fair market value of goods and services. Fundraising events may include dinners, dances, concerts, carnivals, and golf tournaments.

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B. Maximum per person meal rates for hospitality provided for meetings and events:

Meal Type	USU Events	Fundraising-Related Events
Breakfast	\$30	\$50
Lunch/Brunch	\$50	\$75
Dinner	\$80	\$125
Light Refreshments	\$25	\$35

IV. Unallowed Expenditures

Employee business meals and entertainment expenses must conform to IRS regulations. No employee business meal or entertainment expenditure that is considered taxable under IRS regulations will be reimbursed or paid. An employer's reimbursement of an employee business meal or entertainment expense may be considered taxable income to an employee if any of the following conditions are met:

- The activity is not directly related to the employee's job
- The expense is lavish or extravagant under the circumstances
- The expense is not substantiated with supporting documentation

The following expenditures are prohibited:

- A. Hospitality expenses that are of a personal nature, not related to the active conduct of official USU or University business, or with personal benefit derived by the official host or other employees.
- B. Employee birthdays, weddings, anniversaries, baby and wedding showers, and other personal celebrations or acknowledgements.
- C. Memorial services, celebrations of retirement, and farewell gatherings for any employee separating with less than 5 years of continuous service.
- D. Tobacco products.
- E. Hospitality expenses will not be paid or reimbursed for membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation,

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marital status, veteran status, or disability.

- F. Meals and refreshments for unauthorized breakfast, lunch, or dinner meetings when only USU employees are involved.

V. Funding Source for Reimbursable Hospitality Expenses

- A. Auxiliary funds may be used for hospitality expenses provided the expense serves a bona fide business purpose. Auxiliary funds are subject to the same requirements as noted in the campus Hospitality Policy. However, auxiliary funds may be used for formal awards and service recognition, entertainment services, gifts, and promotional items to the extent these purchases are not restricted by other applicable laws, regulations, or fund source agreements.
- B. Hospitality expenses may be coded to any appropriate account in the general ledger. Typical accounts include, but are not limited to, the following:
 - 660813 Hospitality
 - 660841 Program Costs.
 - 660009 Training Professional Development
 - 660834 University Department Support
 - 660842 Recruitment
 - 660913 Marketing

VI. Non-Hospitality Expenditures

- A. Sunny Days Camp meals and refreshments provided to minors attending the Sunny Days Camp program are not defined as hospitality for the purpose of this policy. The funding source is 660818 Program Food Costs.

The Procedures were revised on December 04, 2023



Debra L. Hammond, Executive Director

12/04/23

Date