Hospitality Guidelines

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1. SCOPE

In accordance with **ICSUAM 1301.00 – Hospitality**, California State University San Marcos (CSUSM) and its auxiliaries (Auxiliaries), unless otherwise noted and together referred to as University, governs when hospitality expenses may be paid to the extent that such expenses are necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University.

This policy applies to employees, students, donors, guests, visitors, volunteers, and other individuals as part of a business meeting; recreational, sporting or entertainment event; or other occasion that promotes the mission of the University and serves a bona fide business purpose. The policy also addresses meals served to employees and meals provided to prospective students and employees. Hospitality for employees is permitted only when it serves a documented business purpose such as training, recognition, recruitment, or official University functions, and must comply with CSU restrictions on employee-only events.

For purposes of this policy, hospitality includes meals, light refreshments, beverages, and related services provided in connection with official University business. Entertainment may include events or activities with a social component when directly tied to a business purpose and supported by appropriate justification.

Hospitality expenses may be paid to the extent that such expenses are reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University. All hospitality expenses must be supported by a clearly documented business purpose demonstrating how the expense directly supports University objectives.

Hospitality expenses must be directly related to, or associated with, the active conduct of Official University business. These guidelines govern the appropriate use of CSUSM Operating Fund (485xx), state trust funds, University campus program funds, enterprise funds and CSUSM Auxiliary funds, unless legally exempted or otherwise restricted (e.g., documented trust agreements, and/or grant agreements), for the payment of hospitality-related expenses. Certain fund sources may impose stricter limitations or prohibitions on hospitality expenditures; in all cases, the most restrictive funding requirements must be followed.

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, and must not result in personal gain or private benefit to any individual.

Appropriate supporting documentation (such as attendee lists, agendas, and itemized receipts), along with required approvals, must be retained in accordance with CSU and CSUSM procedures.

In addition, the expenditure of funds for entertainment should be cost-effective and in accordance with the best use of public funds, donor intent, as well as federal, state, and other grant guidelines. Additional restrictions may apply to certain categories of hospitality (e.g., alcohol), which are addressed in subsequent sections of this policy.

2. CLASSIFICATION OF HOSPITALITY EVENTS

TABLE 1. HOSPITALITY EVENT TYPE DEFINITIONS & EXAMPLES

Event Type	Definition	Examples
Award or Service Recognition	Events recognizing employees through a formally established, published award program or for milestone service anniversaries of **5 years or more**.	Employee of the Year awards, Excellence Awards, formal recognition programs, 5-year, 10-year, 15-year service award ceremonies.
Commencement	Events associated with graduation or completion of an academic program.	Graduation ceremonies, commencement receptions, hooding ceremonies, graduate receptions.
Entertainment Event	Events where entertainment is the primary purpose.	Concerts, theatrical performances, cultural performances, comedy shows, guest entertainment programs.
Farewell/Retirement Function	Events honoring an employee who is retiring or leaving the organization.	Retirement receptions, farewell luncheons, going-away celebrations.
Fundraising Event	Events intended to raise funds or solicit donations for a program, department, or organization.	Benefit dinners, donor galas, fundraising receptions, charity auctions.
Morale/Team Function	Events focused on employee engagement, appreciation, team building, or workplace morale.	Staff appreciation lunches, department holiday gatherings, team-building workshops, employee appreciation events.
Official Guest(s) Meeting	Meetings or events involving invited guests, dignitaries, external stakeholders, or official visitors conducting institutional business.	Guest speaker luncheons, board member visits, delegation meetings, VIP tours, partnership meetings.

TABLE 1. HOSPITALITY EVENT TYPE DEFINITIONS & EXAMPLES (Continued)

Event Type	Definition	Examples
Outreach Event	Events designed to engage, educate, or build relationships with the community or external audiences.	Community fairs, public information sessions, open houses, community engagement events.
Professional Conference/ Meeting	Professional or business-focused meetings, conferences, seminars, workshops, or training events.	Annual conferences, leadership retreats, professional development workshops, committee meetings, strategic planning sessions.
Recreational Event	Events centered on leisure, recreation, or social enjoyment, typically not tied to business objectives.	Staff outings, picnics, bowling events, family fun days, recreational excursions.
Sporting Event	Events involving athletic competitions or sports-related activities.	Tournaments, athletic competitions, sporting receptions, team competitions, game-day hospitality.
Student Event	Events primarily serving students that do not fit a recognition, recruitment, or commencement category.	Student workshops, orientation activities, student leadership events, student engagement programs.
Student Recognition	Events recognizing student achievements, accomplishments, leadership, or academic success.	Honor society inductions, scholarship ceremonies, dean's list receptions, academic achievement awards, student leadership recognition.
Student Recruitment	Events intended to attract and enroll prospective students.	Recruitment fairs, admitted-student receptions, preview days, campus visit events, prospective student information sessions.
Other	Events that do not clearly fit any of the categories listed. Use only when no other event type is appropriate.	Unique or one-time events requiring special review.

2.1 Quick Selection Guide

Choose the event type based on the primary purpose of the event:

If the Primary Purpose Is…	Select…
Recognizing employees through a formal award program or 5+ years of service	Award or Service Recognition
Celebrating graduation	Commencement
Providing entertainment	Entertainment Event
Honoring a retiree or departing employee	Farewell/Retirement Function
Raising money	Fundraising Event
Building employee morale or team engagement	Morale/Team Function
Hosting official external guests	Official Guest(s) Meeting
Engaging the community	Outreach Event
Conducting professional business, training, or conferences	Professional Conference/Meeting
Participating in recreational activities	Recreational Event
Supporting athletic activities	Sporting Event
General student programming	Student Event
Recognizing student achievement	Student Recognition
Recruiting prospective students	Student Recruitment
None of the above apply	Other

Special Note for Award or Service Recognition

Use Award or Service Recognition only when:

- The award is part of a published or formally established recognition program, or
- The event recognizes employees for 5 or more years of service.

Employee appreciation lunches, holiday celebrations, and other informal recognition activities should generally be classified as Morale/Team Function, not Award or Service Recognition and be paid for using auxiliary funding, not state funding.

2.2 General Definitions

Approving Authority

A person to whom authority has been delegated in writing to approve hospitality expenses described within this policy. The Approving Authority is responsible for ensuring that expenses are appropriate, reasonable, allowable, and supported by a documented business purpose in compliance with CSU policy and applicable funding restrictions. See **Section 11** for more information on approval of transactions.

Auxiliary or Auxiliaries

The recognized Auxiliary organizations at CSUSM include CSUSM Corporation, The Foundation, and Associated Students, Inc.

Auxiliary organizations are separate legal entities that operate in support of the University and are subject to applicable CSU policies and their own governing requirements.

Auxiliary Funds

Funds maintained by each Auxiliary for its authorized business purposes and those funds managed by the Auxiliary for others.

Auxiliary Funds are subject to CSU policy, donor intent, and any legal or contractual restrictions governing their use, including limitations on hospitality expenditures where applicable.

Awards/Prizes and Service Recognition

Something of value given or bestowed upon an individual, group, or entity in recognition of service to the University or achievement benefiting the University, e.g., financial prizes, trophies, plaques.

Awards, prizes, and service recognition must serve a legitimate University business purpose and comply with CSU policy, including any applicable limits, tax reporting requirements, and funding source restrictions. Awards provided to employees must be consistent with personnel policies and collective bargaining agreements where applicable.

Use of promotional items of nominal value is permitted when appropriate and consistent with CSU guidelines.

Service recognition awards under this CSUSM hospitality policy require a minimum of five (5) years of service, consistent with campus-established recognition practices. See Awards and Prizes section.

Catering Services

Catering is Defined as:

- The provision of food and/or beverages that are prepared, served, and/or set up on campus in connection with a University event or activity, including services that require on-site staffing, equipment, or coordinated delivery and setup.
- Catering may include food service provided by external vendors, including food trucks, when operating on campus in accordance with University requirements.
- Catering activities conducted on campus may be subject to additional University requirements, including dining services agreements, procurement policies, and campus vendor approvals. Certain activities may require coordination with campus dining services, including compliance with applicable first right of refusal agreements. Refer to campus procedures for detailed requirements.

Catering is NOT:

- Picking up food from a vendor for consumption elsewhere.
- Standard restaurant delivery or drop-off service that does not include setup or service.

Community Relations and Outreach

Activities that promote the mission of the university, enhance partnerships, recognize distinguished service, cultivate and steward donors, or that establish new relationships on behalf of the university. These activities must demonstrate a clear business purpose and measurable benefit to the University.

Entertainment Services

Expenditures incurred in connection with events or activities that are primarily social or recreational such as equipment and venue rental, décor, music, performers, and ticket or admission purchases related to official morale or official team-building functions.

Expenditures related to showcasing the academic or professional work of students or employees (e.g., presentations, conferences, or academic exhibitions) are considered standard business expenses and are not governed by this policy.

Employee Morale Functions, and Team-Building Activities

Employee morale functions and team-building activities are events or activities that include a primarily social or recreational component intended to support employee engagement, recognition, or organizational cohesion.

Due to their primarily social nature, these activities are considered high-risk under CSU hospitality policy and are permitted only when they demonstrate a clear and documented University business purpose and provide a measurable benefit to the University.

Fundraising Event

Events conducted for the sole or primary purpose of raising charitable funds where participants make a charitable contribution and a purchase for the fair market value of goods or services. Fundraising events may include dinners, dances, door-to-door sales of merchandise, concerts, carnivals, golf tournaments, auctions, casino nights, and similar events.

Fundraising events do not include activities that are primarily conducted to further the University's instructional, research, or public service mission, even if such activities generate revenue or receive sponsorship.

Hospitality

Hospitality refers to the provision of meals, light refreshments, beverages, lodging, transportation, gifts, awards, and related services in support of official University business. Hospitality must serve a clear business purpose that advances the mission, goals, or operational needs of the University and results in a direct or indirect benefit to the University.

Hospitality expenses include but are not limited to such things as the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, and cookies), promotional items, gifts, and awards.

Hospitality activities may include, but are not limited to, employee meetings (as permitted), entertainment services, service recognition, and fundraising activities, when all policy requirements are met.

Official Activities

Official Activities are events or functions that are directly related to the active conduct of University business and support the mission, goals, or operational needs of the University. These may include business meetings, training sessions, conferences, recognition events, and other functions with a clear and documented business purpose.

Employee morale functions and team-building activities are considered allowable only when they serve a legitimate University business purpose, are appropriately justified, and comply with CSU policy restrictions. Such activities are subject to increased scrutiny due to their primarily social nature.

Campus-specific practices, such as service recognition awards (including those for employees with a minimum of five (5) years of service) and official campus functions, may be permitted when consistent with CSU policy and funding source restrictions.

Meals or light refreshments provided as part of Official Activities must comply with CSU maximum per person rates and must not be routine or frequent.

Official Host

A University or Auxiliary employee who hosts guests at a meeting, conference, reception, activity, or event for the active conduct of University business.

The Official Host is responsible for ensuring that hospitality expenses are necessary, reasonable, appropriately documented, and directly related to a legitimate business purpose, and that no personal benefit is derived.

Official Guest(s) Meetings and Business Meetings (UPDATED TO ALIGN WITH CONCUR)

Official Guest(s) Meetings include meetings conducted for the active conduct of University business where an Official Host is present and a clear business purpose is documented. This category may include meetings involving external participants (official guests).

Because "employee business meetings" are not a designated event type within Concur, internal employee-only meetings are not considered a separate hospitality category. Such meetings may qualify for hospitality expenses only on an exception basis when all CSU policy requirements are met and must be appropriately classified under an available event type (e.g., Official Guest(s) Meeting). The selection of an event type in Concur does not determine allowability.

Internal employee-only meetings may be eligible for hospitality expenses only when:

- The meeting serves a documented and bona fide University business purpose; AND
- The meeting is not routine or recurring; AND
- The circumstances justify the provision of food under CSU hospitality guidelines, including that the timing and structure of the meeting necessitate a working meal; AND
- The meeting:
  - Requires continuous attendance; AND
  - The provision of food is integral to the business function (not a matter of convenience).

Meals or light refreshments may be provided only when all of the following conditions are met:

The meeting:

- Is scheduled in a manner that necessitates a working meal (e.g., overlaps with a normal meal period and does not allow for a reasonable break): AND

- Requires continuous attendance; AND
- Includes a working agenda where the meal is integral to the business function, not a matter of convenience.

Routine staff meetings, team check-ins, and regularly scheduled operational meetings do not qualify under this category, regardless of how they are labeled.

Participation Incentives

Incentives, in the form of promotional items and gift cards, are used to obtain participation and/or data collection information from participants. See Participation Incentives section.

Participation incentives must serve a documented business purpose, comply with CSU policy and applicable tax reporting requirements, and be reasonable in value. Incentives may include non-cash items or cash equivalents (e.g., gift cards) when properly approved and tracked.

Food or refreshments provided as part of an event are considered hospitality expenses and not participation incentives.

Promotional Items

Tangible items that display the name, logo or other icon identifying the University such as a keychain, coffee mug, calendar, or clothing.

Promotional items must be of nominal value, serve a clear University business purpose, and comply with CSU policy and funding source restrictions.

The value of promotional items generally should not exceed $35 per person per event. Items with a value exceeding $25 should be limited in occurrence, reasonable in nature, and supported by a documented business purpose.

Professional Organization Meetings and Business Meetings

Professional Organization Meetings are meetings conducted in connection with a recognized external professional organization, learned society, or association that has a formal membership structure and governance. These meetings must have a clear business purpose that provides a direct benefit to the University, such as professional development, industry collaboration, or advancement of the University's mission.

Such meetings typically include conferences, seminars, or official gatherings with a structured agenda and participation from individuals external to the University.

Professional Organization Meetings do not include routine internal meetings consisting solely of University or Auxiliary employees, including department meetings, staff meetings, or operational discussions, regardless of how they are labeled.

Sponsorship and Tabling Events

Contribution to an event in return for promotion or advertising of the University. This includes the cost of a vendor table to promote the University.

Sponsorship and tabling events must serve a documented University business purpose and provide a measurable benefit, such as outreach, recruitment, relationship-building, or increased visibility of the University.

Such expenditures must be reasonable in cost and consistent with CSU policy, funding source restrictions, and procurement requirements.

Student Athletes

A student athlete is a student whose enrollment was solicited by a member of the athletics staff or other representative of athletics with interest towards the student's ultimate participation in the intercollegiate athletics program.

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 (National Collegiate Athletic Association).

All such hospitality must also comply with CSU policy and applicable funding restrictions.

Student Engagement, Recruitment or Recognition

Hospitality provided to students or prospective students may be permitted when it serves a CSU business purpose.

Such expenses must demonstrate a clear and documented connection to the University's mission, including recruitment, retention, student success, or recognition.

Permissible activities may include recruitment efforts, student engagement activities, student programs, student recognition events and commencement. Students may be hosted to attend activities, programs or other community events that enhance their learning experience, in recognition of their student achievement, to engage with alumni and donors, or as representatives of the University.

All such expenditures must be reasonable in amount and appropriately documented.

Spouses, Significant Others, Domestic Partners

Hospitality provided to the spouse, domestic partner or significant other of an employee may be permitted on an exception basis when it serves a CSU business purpose such as ceremonial functions, fundraising events, alumni gatherings, athletic games, and community events.

Such participation must be directly related to the business purpose of the event and provide a clear benefit to the University.

An agenda, invitation or similar documentation must be included with the payment record to support the business purpose and attendance.

Hospitality provided in these circumstances must be reasonable in cost and must not result in personal benefit to the employee.

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.

This definition is used to determine the allowability of certain hospitality expenditures and related business expenses, including whether an expense is considered local, routine, or necessary for the conduct of University business.

TABLE 2. GENERAL EXPENSE MATRIX

GENERAL EXPENSE TYPE: CATEGORY	FUNDING SOURCE				
Expenditures/Occasions	**All University CSU Trust/Operating Funds (Excluding 496)**	**Auxiliary Funds Must Comply with Auxiliary Procedures (85xxx per written agreement)**	**496 Misc. Trust Funds**	**Account Code**	**Changes**
Alcoholic Beverages, including tax, gratuity, and service charges.	No	Yes[3]	Per Written Agreement[5]	660927 or 660928	
Awards/Prizes and Service Recognition (e.g., minimum 5 years of service, or awards presented during an official activity).	Yes[2]	Yes	Per Written Agreement[5]	660944	
Bereavement Expenditures (e.g., flowers, plant, or card for employees or former employees only).	No	Yes	Per Written Agreement[5]	660846	
Community Relations/Outreach	Yes[4]	Yes[4]	Per Written Agreement[5]	Various	New category. No longer combined with Fundraising.
Donor Gifts – Gifts with the expectation of benefit or other bona fide business purpose.	No	Yes[2]	Per Written Agreement[5]	660846	
Employee Morale and Team-Building Events	Yes[1,6]	Yes	Per Written Agreement[5]	660820	
Fundraising	Yes[4]	Yes[4]	Per Written Agreement[5]	Various	New category. No longer combined with Community Relations.
Gifts for Personal Benefit (e.g., weddings, anniversaries, baby showers, get well, birthdays, and graduation gifts).	No	No	No	NA	

TABLE 2. GENERAL EXPENSE MATRIX (Continued)

GENERAL EXPENSE TYPE: CATEGORY	FUNDING SOURCE				
Expenditures/Occasions	**All University CSU Trust/Operating Funds (excluding 496)**	**Auxiliary Funds Must Comply with Auxiliary Procedures (85xxx per written agreement)**	**496 Misc. Trust Funds**	**Account Code**	**Changes**
Food and Beverage for business meetings, official guest meetings, events, and for employee-only meetings attended by official guests, employees from another campus, students, donors, individuals being recruited for employment, visitors, and volunteers. Meals for employees only must serve a bona fide business purpose, for example: working lunch.	**Yes**[1,6]	Yes[1]	Per Written Agreement[5]	660927 or 660928	Combined meal category for all allowable events. There is no longer a distinction between the meal type. The distinction is made by the attendee type.
Official Guest(s) Meetings, Business Meetings or Receptions-Meetings for recruitment candidates, students, donors, and meetings of other CSU-related groups.	**Yes**	Yes	Per Written Agreement[5]	Various	New Category to align with P2P and Concur.
Participation Incentives–research-funded survey or study, student participation in events.	**Yes**	Yes	Per Written Agreement[5]	660962	
Participation Incentives – other (Auxiliary funding only).	**No**	Yes[2]	Per Written Agreement[5]	660945	Account code change.
Professional Meeting, Conference or Reception- Meetings or receptions of learned society or professional organization. It does not include meetings or conferences of University-only or Auxiliary employees.	**Yes**	Yes	Per Written Agreement[5]	Various	Removed Business Meetings.
Promotional Items (when the occasion is appropriate)	**Yes**[6]	Yes	Per Written Agreement[5]	660962	
Recreational and Sporting Events	**Yes**	Yes	Per Written Agreement[5]	Various	New category that replaces Entertainment Events.
Student recruitment, student engagement, student recognition events-(subject to related policies/procedures such as the gift card purchasing procedures or student payment policy). Graduation gifts are not permissible.	**Yes**	Yes	Per Written Agreement5	Various	

TABLE 2. GENERAL EXPENSE MATRIX (Continued)

Foot Notes:

[1] Meals or light refreshments provided to employees may be permitted if the meal is integral to the business function, infrequent and modest. Meals or light refreshments (limited to no more than 12 times per year, per group) provided during an event may not exceed the maximum per person rate for:

- Breakfast: $40 per person
- Lunch: $60 per person
- Dinner: $90 per person
- Alcohol: $30 per person (Auxiliary organizations only)
- Light refreshments: $40 per person

These rates are inclusive of food, beverages, labor, sales tax, delivery fees, and other service-related costs. Gratuity should be reasonable and generally not exceed 20%.

[2] Cash and cash equivalent items such as a gift card and gift certificate, no matter how small, are always taxable to the employee. 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. **Refer to Section 14. Resources for IRS for tax rules**. Monetary awards paid to employees or student assistants must be made through Payroll.

All incentive and award distributions must be properly documented and tracked in accordance with CSU and campus requirements.

[3] Alcohol purchases for on campus events must follow the CSUSM Alcohol Use Policy. An Alcohol Approval Form must be submitted in addition to the Hospitality Form.

All alcohol-related expenses must demonstrate a clear business purpose and comply with CSU policy and applicable funding source restrictions.

TABLE 2. GENERAL EXPENSE MATRIX (Continued)

[4] Payment or reimbursement for attendance at a community relations activity or fundraising event must include documentation of the individual names, affiliations, and direct or indirect benefit(s) to the CSU to be derived from the expense.

Such documentation must clearly demonstrate the business purpose of the expenditures.

[5] Expense must be consistent with the original intent of the funding sources (revenue) as documented in the trust.

Where multiple funding sources or policies apply, the most restrictive provisions must be followed.

[6] For public relations and reputational considerations, the use of Auxiliary or non-state funding sources is preferred for employee-related hospitality expenditures, when appropriate and allowable.

Account Codes

- 660944 – Other Awards/Honors
- 660927 – Other Catering
- 660820 – Other Hospitality
- 660945 – Other Incentives
- 660928 – Other Non-Catering Food
- 660962 – Promo Items
- 660846 – SupSrv Gifts and Acknowledgements

3. UNALLOWABLE EXPENDITURES

Hospitality expenses that are of a personal nature and not related to the active conduct of official CSU business will not be paid or reimbursed. The California gift of public funds doctrine set forth in the California Constitution, article XVI §6, prohibits the giving or lending of public [state] funds to any person or entity, public or private, unless there is a public purpose.

Examples include, but are not limited to, employee birthdays, weddings, anniversaries, baby showers, and other personal celebrations or events that do not serve a documented University business purpose.

Retirement or farewell events for employees with less than five (5) years of service are not allowable under this policy.

Under Internal Revenue Service regulations, an entertainment (hospitality) expense will be considered taxable income to an employee if:

- The entertainment (hospitality) activity is not directly related to the employee's job,
- The expense is lavish or extravagant under the circumstances,
- The official host or another University employee is not present when the activity takes place,
- The expense is not substantiated with appropriate supporting documentation,
- Business meals with faculty, staff, or other colleagues that are frequent (e.g., that occur on a regular or routine basis) and are reciprocal.

Such expenses may be considered taxable income and are generally not allowable unless they meet CSU policy requirements and are properly documented and reported.

Hospitality expenses that fail to meet CSU requirements for business purposes, reasonableness, necessity, or appropriate documentation are not allowed under this policy.

4. BLANKET HOSPITALITY FORMS

Blanket hospitality forms are meant for hospitality transactions where little, or no value can be added by processing the transaction for each event.

Blanket hospitality forms may not be used for routine, recurring, or ongoing events, including regularly scheduled meetings. They do not replace the requirement for event-specific justification, and each occurrence must independently meet CSU hospitality policy requirements. Blanket forms may not be used to approve expenses that would otherwise be unallowable under CSU policy.

The following procedures shall be observed in administering blanket hospitality forms:

- The blanket hospitality must be specific to a set of clearly defined, similar events with a common business purpose, rather than a general department/annual approval.
- Each event covered under a blanket hospitality form must meet all CSU hospitality policy requirements, including a documented business purpose and justification for the expense.
- Blanket hospitality forms may not be used for routine meetings, recurring staff gatherings, or other activities that do not qualify for hospitality under CSU policy.
- All required supporting documentation must be submitted for each expense.
- Documentation must identify the specific event, date, attendees (if applicable), and business purpose for each occurrence.
- Blanket forms may not exceed one year and should not cross fiscal years.
- Blanket hospitality approvals are subject to review and may be revoked if used for expenses that do not comply with CSU or CSUSM campus policy.

5. FOOD AND BEVERAGE PER PERSON LIMITS

Meals or light refreshments provided to employees may be permitted if the meal is integral to the business function, provided all CSU hospitality policy requirements are met, and they are infrequent and modest.

The cost of meals is expected to meet the average per person limits and must not be routine or recurring. Employee-only hospitality events must remain infrequent and may not be used for regularly scheduled or ongoing meetings.

Per-person limits may only be exceeded on an exception basis when there is a documented and compelling business purpose, such as donor cultivation, fundraising, or other strategic University activities that provide a clear benefit to the University.

All such exceptions must be fully documented and explicitly approved, with justification demonstrating why the expense exceeds standard limits and how it supports University objectives.

Exceeding per-person limits for employee-only events, routine activities, or convenience-based meals is not permitted.

TABLE 3. FOOD AND BEVERAGE PER PERSON LIMITS

Hospitality	Sub-Category	Maximum Per Person per Day[1]
Food and Beverage **(Includes catering, labor, sales tax, delivery fees, and other service fees)**	Breakfast	$40
	Lunch	$60
	Dinner	$90
	Alcohol[2]	$30
	Light Refreshments[3]	$40

[1] Per person limits include food, beverages, labor, sales tax, delivery fees, other service fees and gratuity (20% maximum). The reimbursement for a buffet reception cannot exceed the applicable meal allowance associated with the type of buffet (e.g., breakfast, lunch, or dinner).
[2] Auxiliary organizations only.
[3] Light refreshments include coffee and other beverages, snacks, hors d'oeuvres, pastries, cookies, crackers, chips, fruit, etc.

6. AWARDS AND PRIZES

Student Awards must be given as part of a documented campus award program. Awards and prizes must serve a clear CSU business purpose consistent with the University's mission and fiduciary responsibilities and must be appropriate and reasonable.

Awards and prizes to students must be in accordance with the **CSUSM Payments to Students - Guidelines and Procedures**. Stateside funds may be used to pay for awards and prizes to students for excellence and to participate in a research-funded survey or study.

If the award is restricted to use towards educational expenses, it is the responsibility of the department conferring the award or prize to notify the Financial Aid Office of cash and cash-equivalent awards provided to students, including the student identification number of award recipients. For student awards that will not be considered Financial Aid, it must be processed as a Direct Pay.

A non-cash award or prize may have a taxable consequence to the student if it does not meet the IRS definition of de minimis and infrequent. **Refer to IRS for tax rules in Section 14.**

The award program must be published on the University's website. Awards and prizes must have an established process defining eligibility, selection criteria, amount, and processing mechanism. Award programs must be administered in a fair and consistent manner and not provide personal benefit outside of the program's defined purpose.

Examples of student awards include the six Dean's Awards as follows: College of Education, Health & Human Services; College of Arts, Behavioral and Social Sciences; College of Business Administration; College of Science, Technology, Engineering & Mathematics; Graduate Studies; and the Student Leadership Award selected by the Dean of Students as well as the President's Outstanding Graduate Award.

Payments to students that do not qualify as an award include payments that are solely for personal benefit and there is no expected benefit to the University. Examples include reimbursement or any payment of testing fees or payment for classes not offered by CSU San Marcos.

Employees Awards must be given as part of a documented campus award program. Stateside funds may be used to pay for awards and prizes for exceptional contributions and to participate in a research-funded survey or study.

Awards for these programs must be presented to employees on a basis that does not discriminate in favor of highly compensated employees. Employee awards are meant to be occasional and must be presented on an infrequent and occasional basis in accordance with IRS guidance.

The amount of the award should be defined in each award program. The award program must be published on the University's website.

An award program may be established to the extent that such expenses serve a purpose consistent with the mission and fiduciary responsibilities of the CSU and align with IRS regulations.

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. **Refer to IRS for tax rules in Section 14.**

The hospitality form/supporting documentation shall document the award program, including the business purpose, eligibility, and per-person limits. The hospitality form/supporting documentation shall document the award program, including eligible awards and per person limits.

Examples of established employee award programs are those listed on the Office of the President award website and include The Brakebill Award, Ernest & Leslie Zomalt Service Award, Employee of the Year Award, Inclusive Excellence and Diversity Award, Outstanding Faculty Awards.

Divisions may also establish individual programs as approved by the Provost or Division Vice President such as the Kerri Mowen Excellence in Faculty Mentoring Award.

Prior to completing a Hospitality Form and announcing awards, confirm with Payroll Services that the award program is allowable.

Request approval from Payroll Services by emailing a link to the award program website that includes a description of the program and award amount. Payroll will then confirm the allowability of the award with the Chancellor's Office.

To ensure compliance with CSU internal control requirements, individuals who receive or benefit from an award must not approve the related hospitality request or expense.

All transactions must be reviewed and approved by an independent approver with appropriate Delegation of Authority (DOA).

Once Payroll has confirmed the allowability of the award with the Chancellor's office and with the department, please contact Human Resources or Faculty Affairs to assist with the payment process.

Note: If approved funding source does not reside in the business unit disbursing the award, an Inter-Unit Billing Journal Form may be completed to reimburse the entity providing the award to the employee.

This form may be found on the **Fiscal Services** webpage.

7. PARTICIPATION INCENTIVES

Incentives, in the form of promotional items and gift cards, are used to obtain participation and/or collect information from participants. Participation incentives must serve a clear CSU business purpose, be appropriate and reasonable in value, and support official University activities.

These incentives are subject to Internal Revenue tax laws and there are specific rules that must be followed in order for the CSU to remain in compliance. Promotional items and gift cards are for the sole purpose of participant payments and cannot be used to pay trade suppliers for goods and/or services or as compensation for services rendered. Food items are not considered participation incentives.

Participation incentives may be issued under the following procedures:

- Participation incentives should be reasonable, cost-effective, and generally range between $10 and $50 per participant unless otherwise justified and approved (e.g., sponsored programs or grants).
- Use of promotional items such as a keychain, coffee mug, calendar, or clothing as a participant incentive is encouraged when such items are of nominal value and align with CSU guidance for non-cash items.
- Alternatively, gift cards or certificates redeemable for a specific item of property or merchandise may be used. Refer to **Gift Card Purchasing Procedures**. Gift cards should only be used when no reasonable alternative exists and they must comply with CSUSM Gift Card Guidelines and internal control requirements.

- Participation incentives (reportable) paid to non-resident aliens should be paid via check as they will need to be evaluated for tax purposes.

Participant incentive payments awarded to students (participating in non-grant related research), that are greater than $100 will be reported to Financial Aid per Title 5, California Code of Regulations, and Section 42500 (d). Refer to the **CSUSM Payments to Students - Guidelines and Procedures**.

Additionally, any non-student or non-employee individual participant that receives $600 or more of incentive payments/gifts or other income in a calendar year must be reported to the IRS on Form 1099.

All participation incentives must be supported by documentation that includes the business purpose, description of the activity, participant eligibility, and tracking of items distributed.

Individuals who receive or benefit from participation incentives must not approve the related transaction; approval must be performed by an independent approver with appropriate Delegation of Authority (DOA).

CSUSM Corporation Research Participation Incentives

Sponsored projects may provide research incentive payments to individuals or human subjects that are participating in research. These incentives must follow the **CSUSM Corporation Research Incentive Payments Policy**.

Email sponsoredprojects@csusm.edu for questions about CSUSM Corporation Sponsored Projects grant research incentives.

8. GIFT CARDS

The use of gift cards must comply with the mission of the University and adhere to all University policies and procedures.

Gift cards (cash equivalents) should only be used when no reasonable alternative exists, must be infrequent, and must be conservative in value in accordance with CSU and CSUSM guidelines.

Only one gift card can be awarded to a recipient per event/activity. Exceptions must be documented and justified.

As cash-equivalent instruments, gift cards are governed by tax rules and internal control requirements. These rules and requirements must be followed and communicated to those involved before purchase or distribution of any gift cards.

Requesters will be required to complete a hospitality form. The gift card supplier, the denomination of each gift card, and the number of gift cards being purchased must be attached to the hospitality form.

Departments are responsible for maintaining strong internal controls over gift cards, including securing inventory, tracking distribution, and maintaining a complete gift card log documenting: recipient name, date, amount, business purpose, and recipient acknowledgment (when required).

Gift card logs and acknowledgement forms for employees are the responsibility of the department purchasing the gift cards.

Gift cards that will be purchased using a CSUSM Corporation ProCard must follow the gift card purchasing procedures for Corporation.

For gift cards for CSUSM Corporation Research Participation Incentives with an approved Institutional Review Board (IRB) protocol, a hospitality form is not required, please refer to the **CSUSM Corporation Gift Card Purchasing Procedures** for more information.

Refer to the following **CSUSM Gift Card Purchasing Procedures** for additional guidance.

Gift cards or certificates with a face value of less than $10 must be redeemable in cash in accordance with California Civil Code Section 1749.5; departments should avoid purchasing gift cards below this threshold.

9. PROMOTIONAL ITEMS

Promotional Items to Non-Employees

Reasonable gifts made on behalf of the University to non-employees and outside organizations are allowed when the gift benefits the University, supports a University business purpose, and fulfills the mission of the University.

All promotional items must be appropriate, reasonable in value, and clearly connected to official CSU business.

The business reason for issuing the promotional item must be documented in writing. Promotion of goodwill alone is generally not sufficient; the documentation must demonstrate a direct and tangible benefit to the University.

The cost of such gifts must be reasonable in relation to the actual or expected benefits. Examples of individuals and organizations that may be presented an award or gift on behalf of CSUSM include: a visiting dignitary or scholar, a donor or potential donor, a civic or cultural organization or a member of the local community.

Awards and gifts cannot be used to pay suppliers for goods and/or services or as compensation for services rendered.

Promotional items to non-employees may have tax reporting implications depending on the cumulative value.

However, the cumulative amount of gifts/promotional items may not exceed $600 in a calendar year. If the cumulative value provided to a non-employee meets or exceeds IRS reporting thresholds (e.g., $600), the department must coordinate with Accounts Payable to collect required tax reporting information.

For a promotional drawing where a non-employee wins a promotional item, it must be reported to Accounts Payable if the value of the gift is greater than $600 and taxpayer information must be collected from the individual.

All promotional item purchases and distributions must be supported by documentation including the business purpose, recipient type, item description, and value.

Transactions must be reviewed and approved by an independent approver with appropriate Delegation of Authority (DOA); individuals receiving or benefiting from the items must not approve the transaction.

Promotional Items to Employees

As a general rule, Promotional Items under $25, may be purchased with Auxiliary funds and these items would not be taxable, as they are de minimis to the recipient.

(In determining whether a benefit is de minimis, both frequency and value must be considered; items must be occasional or infrequent and must not represent disguised compensation.)

Promotional items provided to employees that exceed de minimis thresholds or are provided frequently may be considered taxable income and must be reported through Payroll in accordance with IRS regulations.

Departments must coordinate with Payroll for guidance on taxability prior to distribution when thresholds may be exceeded.

10. HOSPITALITY EXPENSES DURING TRAVEL

Hospitality activity and expenses while on travel status must be in accordance with hospitality policy and guidelines.

Reimbursement is made through the Travel Reimbursement process and categorized as hospitality.

All hospitality expenses incurred during travel must:

- Be pre-approved through the Concur Hospitality Request (when required)
- Be appropriately mapped in Concur under hospitality expense types (not standard travel meals)
- Include required documentation such as business purpose, attendee list, and receipts

Hospitality expenses must be clearly distinguished from personal travel meals and per diem expenses and must not duplicate allowable travel reimbursements.

When using a University card during travel, charges related to hospitality must still follow hospitality approval workflows and cannot be approved by the cardholder if they are also a participant.

All transactions must be reviewed and approved by an independent approver with appropriate Delegation of Authority (DOA) to ensure separation of duties.

11. APPROVALS AND SUPPORTING DOCUMENTATION

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.
- Ensure the expense is appropriate, reasonable, and serves a clear CSU business purpose consistent with fiduciary responsibilities.

All hospitality expenses require documented pre-approval in Concur (Hospitality Request), when applicable, and must be supported by complete and accurate documentation.

Supporting documentation must include, at a minimum:

- Business purpose and justification
- Date, location, and description of the event
- Attendee list (or defined participant group)

- Itemized receipts
- Funding source (Chartfield)

Individuals with delegated approval authority may not approve their own expenses, and individuals may not approve the expenses of their supervisor.

Additionally, approvers must be able to exercise independent judgment and must not approve transactions in which they receive a personal or incidental benefit that compromises objectivity.

12. SEGREGATION OF DUTIES AND CONCUR WORKFLOW REQUIREMENTS

To maintain compliance:

- The MPP/DOA may initiate and submit the hospitality request and expense report as the host or cardholder.
- However, the MPP/DOA must not approve:
  - The Hospitality Justification (pre-approval) in Concur
  - The associated expense report or transaction

- The transaction must instead be routed to an appropriate alternate approver who:
  - Has valid DOA authority over the Chartfield
  - Is not attending the event and does not benefit from the expense
  - Is configured in Concur as an alternate, ad hoc, or higher-level approver to ensure workflow integrity
  - Is typically the MPP's direct supervisor or a higher-level administrator (e.g., Dean, AVP, or VP)

In limited circumstances, an approving authority may attend an event; however, they must not approve the transaction if their participation creates a conflict of interest or perception of self-approval.

All Concur workflows must ensure proper routing, including bypassing conflicted approvers and documenting the use of alternate approvers when applicable (e.g., "DOA is an attendee; alternate approver used to ensure separation of duties").

TABLE 4. APPROVALS

Hospitality Approvals	Comments
MPP	Assigned according to employee's position and where they work at the University. MPP may initiate and submit requests in Concur but must not approve transactions in which they are a participant or beneficiary.
Financial/DOA Approval	All hospitality requests and expense reports must be routed in Concur to an independent approver with valid Delegation of Authority (DOA) over the Chartfield. Routing is determined by department (stateside) or project (Foundation/Corporation).
Concur Pre-Approval (Hospitality Request)	Required for hospitality expenses when applicable. Must be completed and approved prior to incurring the expense. Approval must follow DOA routing and cannot be approved by an attendee or cardholder if a conflict exists.
Foundation- and Corporation-Funded Projects	Office of Sponsored Projects (for 85XXX projects). Finance Director or Designee (for 81XXX and 86XXX projects).
Independent Approval Requirement	Individuals may not approve their own expenses or those of their supervisor. Approvers must be able to exercise independent judgment and must not benefit (directly or indirectly) from the transaction.
Concur Expense Report Approval	All expenses submitted in Concur (including University card transactions) must be approved by an independent DOA approver. The cardholder/host cannot approve their own transaction.
Exception	PAT Member-Additional approval required from appropriate senior authority depending on the nature of the exception[1,2]
Documentation Requirement	All approvals must be supported by complete documentation in Concur, including business purpose, attendee list, receipts, and justification for any exceptions or alternate routing.

TABLE 4. APPROVALS (Continued)

FOOT NOTES

[1]**The President's Administrative Team (PAT)**

The President's Administrative Team (PAT) is comprised of the senior management team of the University as listed below:

- Provost & Vice President for Academic Affairs
- Vice President for University Advancement
- Vice President, Finance & Administrative Services and Chief Financial Officer
- Vice President for Student Affairs
- Chief of Staff
- Senior Director of Executive Communications
- Chief Diversity Officer
- Chief Enrollment Officer

VP FAS Hospitality Approval

VP FAS hospitality will be approved by the President's Chief of Staff.

Executive-level transactions must maintain independent approval and comply with CSU segregation of duties requirements.

[2]**Exception**

- Recreational and sporting events (including tickets for non-CSUSM events)
- A spouse or domestic partner of an employee

These exceptions require additional justification, documented business purpose, and elevated approval by a PAT member.

TABLE 5. SUPPORTING DOCUMENTATION

All hospitality transactions must include sufficient documentation to demonstrate a clear business purpose, reasonableness of costs, and compliance with CSU and CSUSM requirements. Documentation must be attached in Concur at both the request (pre-approval) and expense report stages, when applicable.

Event Type	Supporting Documentation
Meeting, Training, Workshop, Morale Events	• Agenda/Event Outline/Flyer • Attendee List (must be included in Concur or attached) • Catering Quote (**follow catering guidelines**) • Itemized cost per person calculation (inclusive of food, beverage, tax, service charges, and gratuity in accordance with CSU limits). • Business purpose justification clearly tied to University operations
Student Engagement	• Event Flyer/Invitation/Event Outline • Catering Quote (**follow catering guidelines**) • Itemized cost per person calculation (inclusive of all applicable charges). • Description of how the event supports student success or University mission
Participation Incentives (Research) and Student Participation in Events	• Approved Institutional Review Board (IRB) for research projects (if applicable) • Gift card supplier, number of gift cards, and denomination (if applicable) • If promotional item: supplier quote and First Right of Refusal from Bookstore (if applicable) • Participant eligibility criteria and tracking/log of distribution Documentation of business purpose and research activity
Participation Incentives (Other) - Auxiliary Funding Only	• Gift card supplier, number of gift cards, and denomination • If promotional item: supplier quote and artwork/logo • Business purpose and description of activity • Distribution log documenting recipients (or group), date and amount
Promotional Items	• Supplier quote for promotional item • Number of items being purchased • Cost per item • Artwork or logo • Business purpose and intended audience (e.g., donor relations, outreach) • Documentation demonstrating reasonable cost relative to benefit

TABLE 5. SUPPORTING DOCUMENTATION (Continued)

Event Type	Supporting Documentation
Awards and Prizes	• Documentation of award program (published on CSUSM website) • Length of service of 5 or more years (if applicable) Quote for award being given • First Right of Refusal if not purchased from Bookstore • Defined eligibility criteria, selection process, and award amount • Payroll or Financial Aid coordination when applicable (tax/reporting compliance)
Gift Cards	• Gift card supplier, number of cards, denomination • Justification for use of gift cards vs. non-cash alternative • Compliance with **CSUSM Gift Card Procedures**
Hospitality During Travel	• Approved Concur Hospitality Request (if required) • Clear distinction from travel meals/per diem • Attendee list and business purpose • Itemized receipts • Expense must be mapped to hospitality expense type in Concur
Blanket Hospitality	• Supporting documentation must be provided for each event included in the blanket request, including business purpose, estimated attendees, cost estimates, and event details. Final expense reports must include actual documentation (attendees, receipts, and reconciled costs).

TABLE 6: ROLES AND RESPONSIBILITIES

Role	Responsibility
Requestor/Submitter	• Certifies expenses are necessary, appropriate to the occasion, reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the University. • Confirms the expense is allowable per the CSU Hospitality Policy, CSUSM Hospitality Guidelines and applicable policies, procedures, and guidelines. • Attaches required supporting documentation (see Table 5). • Ensures a clear and documented business purpose is included in the Concur request and expense report. • Submits Hospitality Request (pre-approval) in Concur when required, prior to incurring the expense. • Confirms appropriate approving authorities are in the routing workflow. • Ensures routing avoids conflicts of interest (e.g., removes themselves or other attendees from approval roles).
Approving Authority (Fiscal Authority/ PI/Designee)	• Ensures funding is available. For 85XXX projects, ensures the business purpose meets the objectives of the sponsored project scope. • Independently reviews and approves transactions to ensure compliance with CSU policy and appropriate use of funds. • Confirms expense is reasonable, necessary, and directly related to official University business. • Ensures they are not approving transactions where they have a personal or incidental benefit.
Approving Authority (Including PAT Member if Exception)	• Further substantiates expenses are necessary, appropriate to the occasion, official activities, reasonable in amount, and serve a purpose consistent with the mission and fiduciary responsibilities of the University. • Confirms the expense is allowable per CSU Hospitality Policy, CSUSM Hospitality Guidelines, and applicable policies. • Confirms appropriate approvers are in the routing. • Provides elevated review and approval for exceptions • Ensures justification for an exception is documented in Concur.
Corporation/Sponsored Projects (OSP/Finance Director/Designee)	• Confirms funding is available and expense is allowed per the award/program terms and conditions and other applicable regulations. • Ensures compliance with sponsor requirements and CSU hospitality restrictions. • Verifies that expenses align with project scope and funding restrictions.

TABLE 6: ROLES AND RESPONSIBILITIES (Continued)

Role	Responsibility
All Reviewers/Approvers in Workflow	• Approves/denies the Hospitality form in a timely manner. • Denies requests not directly related to official University business. • Ensures Concur workflow integrity by verifying appropriate routing, including use of alternate or ad hoc approvers when conflicts exist. • Confirms supporting documentation is complete and sufficient for audit purposes.
Accounts Payable	• Reviews for compliance with CSU Hospitality Policy and CSUSM Hospitality Guidelines. • Verifies appropriate approvers and fiscal authority (per CSUSM Hospitality Guidelines – verifies highest level of responsibility). • Ensures appropriate supporting documentation is submitted. • Ensures the Blanket Hospitality form submitted is an appropriate use of blanket form.
Travel Office	• Reconciles expenses with Travel Claim. • Ensures hospitality expenses incurred during travel are properly categorized and do not duplicate travel meals or per diem reimbursements. • Confirms hospitality expenses are supported by an approved Concur Hospitality Request when required.

13. PAYMENT OR REIMBURSEMENT

Approved hospitality expenses must be processed using the appropriate University payment method and in accordance with CSU and CSUSM policies, procedures, and internal control requirements.

13.1 Required System of Record

All hospitality expenses must be:

- Pre-approved in Concur (Hospitality Request) when required, prior to incurring the expense
- Submitted and reconciled in Concur through an expense report
- Mapped to the appropriate hospitality expense type

The approved Hospitality Request must be linked to the corresponding expense report.

13.2 Payment Methods

Universal Card

- May be used for allowable hospitality expenses
- All transactions must be reconciled in Concur by the cardholder
- Must reference an approved Hospitality Request
- The cardholder must not approve their own transaction

Purchase Orders (CSUBUY)

- Must be used for goods and services that require a purchase order, including applicable catering services and vendor payments
- Must comply with CSUBUY procurement processes and approvals
- Hospitality documentation must support the purchase and be maintained for audit purposes

Employee Reimbursements (Concur)

- Must be submitted through Concur expense reports
- Must include:
  - Itemized receipts
  - Proof of payment
  - Approved Hospitality Request (when applicable)

Direct Pay

- Limited to:
  - Student reimbursements
  - Non-employee reimbursements
- Must follow Accounts Payable procedures
- Must include required hospitality documentation and justification

13.3 Required Supporting Documentation

All payment and reimbursement methods must include:

- Approved Concur Hospitality Request (pre-approval), when required
- Itemized receipts
- Business purpose and justification
- Attendee list or defined participant group
- Proof of payment (for reimbursements)

Incomplete or insufficient documentation may result in denial of the expense.

13.4 Compliance and Audit Requirements

- Expenses must be necessary, appropriate, and reasonable
- Expenses must demonstrate a clear University business purpose
- All transactions must comply with:
  - CSU Hospitality Policy
  - CSUSM Hospitality Guidelines
  - Applicable IRS and regulatory requirements

14. RESOURCES

- **California State University Hospitality Policy**
- **CSUSM Corporation Hospitality Policy**
- **Concur Travel & Expense (Hospitality Request and Expense Report)**
- **Direct Pay Form**
- **CSUSM Payments to Students - Guidelines and Procedures**
- **CSUSM Public Relations Policy**
- **CSUSM Approved Caterers**
- **CSUSM Gift Card Procedures**
- **CSUSM Gift Card Purchasing Procedures**
- IRS Employee Tax Guide to Fringe Benefits **IRS Publication 5137,** Fringe Benefits guide, section 16, beginning on page 67.
- Concur User Guides and Campus Job Aids

APPENDIX A: FREQUENTLY ASK QUESTIONS

1. **Our department needs to hold an administrative meeting and provide a meal. Is that allowable?**

   Answer: Yes, but only when the meal is integral to the business function and participants are required to work through the meal period. The expense must be

   - Reasonable and infrequent
   - Clearly tied to a University business purpose
   - Within CSU per-person limits

   The event must be:

   - Pre-approved in Concur (Hospitality Request)
   - Supported by an agenda and attendee list

   Meals for routine or convenience purposes are not allowable.

2. **Do "light refreshment" include hors d'oeuvres?**

   Answer: Yes. Light refreshments may include items such as beverages, snacks, and hors d'oeuvres, provided they are:

   - Modest in nature
   - Appropriate for the event
   - Within SU cost guidelines

3. **Which category should I use for faculty/staff social events with a business purpose?**

   Answer: These fall under Employee Recognition, Morale, or Team building/Official Business Meeting, and must:

   - Serve a bona fide business purpose
   - Be infrequent and reasonable
   - Not be primarily social in nature

   The business purpose must be clearly documented in Concur.

4. **Can meals be provided during a recruitment interviews?**

   Answer: Yes, when they are an **i**ntegral part of the recruitment process and participants are required to remain on-site.

   Requirements:

   - Must meet reasonableness and cost limits
   - Must be pre-approved in Concur
   - Must include attendee list and business purpose

5. **Can I send gifts or flowers?**

   Answer: Generally:

   - Not allowable for employees (personal benefit)
   - Not allowable with state funds or auxiliary funds for non-employees when solely personal

6. **Can I be reimbursed for a one-on-one business meal with a colleague?**

   Answer: Generally no. These are not allowable if:

   - The meeting could take place during normal business hours
   - The expense provides primarily personal benefit

   Exceptions are rare and must demonstrate:

   - A compelling business necessity
   - Proper pre-approval and documentation

7. **Can I provide lunch for an all-day meeting?**

   Answer: Yes, if:

   - Participants are required to work through the meal period
   - The meal is integral to the event
   - The expense is reasonable and within CSU limits

   Must be pre-approved and documented in Concur.

8. **Can state funds be used for a retirement party?**

   Answer: No, social or celebratory events are not allowable with state funds.

   However, service recognition awards (minimum 5 years) may be allowable if:

   - Part of an established award program
   - Properly documented and approved

9. **Can state funds be used for employee welcome events?**

   Answer: Generally, no, if the purpose is primarily social or personal.

   Allowable only when:

   - There is a clear business purpose (e.g., formal onboarding session)
   - Costs are reasonable and documented

10. **Can I purchase coffee or water for my department?**

    Answer: Please refer to Appendix C. A hospitality form is not required for water purchases that meet the criteria outlined in Appendix C.

    Coffee purchases are only allowable when they are tied to a specific, documented hospitality event – not for routine department use and a hospitality form is required.

11. **What expenses are NOT permissible with state funds?**

    Answer: Examples include:

    - Gift cards or gifts used as compensation
    - Personal celebrations (birthdays, weddings, etc.)
    - Farewell or retirement parties
    - Items with no clear business purpose

    All expenditures must support official University business.

12. **Who completes the Hospitality Request if Events & Conference Services is managing my event?**

    Answer: The department hosting the event is responsible for:

    - Completing the Hospitality Request in Concur
    - Providing funding information
    - Ensuring compliance with all guidelines.

13. Can we make a donation to a non-profit using hospitality funds.

Answer: No. Donations are not allowable because they provide no direct benefit to the University.

Sponsorships may be allowable if:

- There is a documented benefit (e.g., advertising, visibility)
- Documentation is attached in Concur

14. My event was approved, but costs increased. What should I do?

Answer: A revised Concur Hospitality Request is required if:

- Per-person costs increases
- Event scope changes
- Total cost increases materially (e.g., >10%)

15. Should blanket hospitality requests include totals?

Answer: Yes. Blanket requests must include:

- Estimated total costs
- Business purpose
- Description of events

Final expense reports must include actual costs and documentation.

16. Are graduation stoles, cords, or medallions allowable?

Answer:

- Allowable as awards if based on defined achievement criteria
- Program expense if included in a student fee
- Not allowable if provided broadly with no defined criteria using state funds

17. How do I calculate the cost per person?

Answer:

Total cost (including food, beverages, tax, service, gratuity) divided by the number of attendees.

This must be documented in Concur and comply with CSU limits.

18. Is a multi-day workshop considered one event or multiple events?

Answer: If it is a continuation of the same program or objective, it is considered one event.

19. Are multi-day recruitment events considered blanket hospitality?

Answer: No. Recruitment for a single position is considered one event, even across multiple days.

20. What is the difference between a donation and a sponsorship?

Answer:

- Donation: Not allowable (no direct benefit to University)
- Sponsorship: Allowable if:
  - There is a measurable benefit (e.g., advertising)
  - Documentation is provided in Concur
  - Attendees and purpose are documented if hospitality is included

21. Can departments pay for student professional development courses using state funds?

Answer: No. This is considered a scholarship or financial aid, which:

- Cannot be funded with state operating funds
- Must be coordinated with Financial Aid or auxiliary funding sour**ces**

APPENDIX B: HOSPITALITY EXAMPLES

The following are examples of situations that may meet CSU and CSUSM hospitality requirements. All examples must:

- Serve a clear University business purpose
- Be appropriate, reasonable, and cost-effective
- Be pre-approved in Concur (Hospitality Request), when required
- Include supporting documentation (agenda, attendees, receipts)
- Follow Delegation of Authority (DOA) and segregation of duties requirements

1. Donor Cultivation and Appreciation

When the University hosts events intended to build or maintain relationships with alumni, donors, or prospective donors, the cost of meals or light refreshments may be allowable. Requirements:

- Must demonstrate a direct benefit to the University (e.g., fundraising, engagement)
- Must include attendee affiliation and business purpose in Concur
- Must be reasonable in cost relative to expected benefit

2. Meetings of an Administrative Nature

Meals or light refreshments may be allowable for meetings that are directly concerned with the **official business and operations of the University, such as:**

- CSU systemwide meetings
- Academic Senate meetings
- Board or advisory meetings
- Formal training sessions or conferences
- Strategic planning sessions
- Appointed committees or workgroups

Requirements:

- Must have a formal agenda, purpose, and expected outcomes or deliverables
- Must be integral to the meeting
- Must be infrequent and reasonable
- Must be documented and pre-approved in Concur

Not Allowable

- Meals where employees choose to meet over lunch for convenience
- Meetings that could reasonably occur during normal working hours without food

Limited Exception

Meals may be provided during work hours only when:

- Employees are required to remain on-site or on-call
- The meal is necessary for operational reasons
- The benefit meets IRS de minimis standards

3. State-Supported Events

Light refreshments may be allowable for state-supported events only when essential to achieving the business purpose.

Examples include:

- Conferences or formal training sessions
- Launch of a University initiative
- Official campus events or receptions
- Fundraising-related activities

Requirements:

- Must clearly demonstrate that food is essential (not incidental) to the event
- Must be reasonable and within CSU cost guidelines
- Must be pre-approved and documented in Concur

4. Employee Recognition

Hospitality expenses related to employee recognition programs may be allowable when tied to documented achievement.

Examples include:

- Length of service awards (e.g., 5, 10, 15 years)
- Formal recognition of exceptional contributions
- Approved campus award programs

Requirements:

- Must be part of an established and documented award program
- Must include defined eligibility and selection criteria
- Must comply with tax reporting requirements (Payroll)
- Must be reasonable and infrequent
- Must be documented and approved in Concur

5. Employee Morale and Team-Building Events

University funds may be used for employee morale-building or team-building activities when there is a clear business purpose.

Examples include:

- Division-wide events (e.g., President's Picnic)
- Structured team-building activities
- Organized employee appreciation events

Requirements:

- Must serve a bona fide business purpose (e.g., improving organizational effectiveness, engagement, or retention)
- Must be infrequent and modest in cost
- Must not be primarily social or personal

Not Allowable

- Employee birthdays, weddings, anniversaries, or personal celebrations
- Holiday gifts or purely social gatherings without business purpose

Concur Alignment

- Must be categorized under:
  - Employee Morale/Appreciation, or
  - Employee Recognition, or
  - Team Building/ Business Meeting (if structured with agenda)

- Must include:
  - Business purpose explanation aligned to category
  - Attendee list or employee group
  - Agenda or description of activity

6. **Awards: Examples of established award programs are CSUSM Employee of the Month, Brakebill, Ernest & Leslie Zomalt Service Award, Kerri Mowen, etc.**

Examples of Unallowable Awards and Gifts

- Gift cards/Cash equivalents for services.
- Recreation memberships.
- Season tickets to sporting or cultural events.
- Gifts provided to employees in connection with birthdays, weddings, anniversaries, holidays, farewells, graduations, and other occasions of a personal nature.
- To pay for food and beverages or entertainment services that do not serve a bona fide business purpose.

Examples of expenditures that are not considered Hospitality and do not require a Hospitality Form:

- **Integral Grant Expenditures** - Expenditures for food and related items integral to a grant, e.g., a training grant that includes lunch for students or a "food bank" type of operation, are not hospitality expenditures.

- **Supplies** - Expenditures for items such as water, paper products, etc. for outside visitors are exempt from this policy. These items are considered supply-related expenditures.

- Research Incentives for Sponsored Projects

- For gift cards for CSUSM Corporation Research Participation Incentives, a hospitality form is not required, please refer to the **CSUSM Corporation Research Incentive Payments Policy** and the **CSUSM Corporation Gift Card Purchasing Procedures** for more information.

APPENDIX C: CALIFORNIA STATE UNIVERSITY SAN MARCOS

Hospitality Water Service & Location Guidelines

1. Purpose

This guideline establishes processes for the appropriate provision of water service as a hospitality amenity at California State University San Marcos (CSUSM). It ensures that hospitality resources are used responsibly, align with CSU policies, and support institutional priorities related to student success, recruitment, donor engagement, and community partnership.

2. Scope

This guideline applies to all campus departments, programs, and administrative units utilizing university or auxiliary funds for hospitality purposes. It governs the location, justification, and funding considerations for water service provided on campus.

3. Guiding Principles

Water service is considered appropriate when it supports:

- Public Engagement: Interaction with prospective students, families, donors, or visitors
- Institutional Representation: Activities reflecting the university's image and mission
- Student Experience: Support for student well-being in high-traffic or extended-use areas
- Event-Based Hosting: Organized programs, or orientations, or formal gatherings
- Health & Accessibility: Hydration needs due to climate, occupancy, or outdoor conditions

Hospitality expenses must be reasonable, necessary, and directly related to a legitimate university business purpose.

4. Approved Locations for Water Service

Water service may be provided in the following types of locations:

4.1 Visitor & Welcome Areas

Craven Hall (President's Office reception)

- Admissions & Recruitment spaces
- Campus Welcome / Information areas
- Extended Learning Building (ELB) public-facing areas

4.2 Student Services & Engagement Areas

- Student Services Building (SSB) lobbies
- Financial Aid and Enrollment Services
- Career Center
- International Student Services

4.3 Event & Conference Spaces

- University Student Union (USU)
- University Hall (UH) conference rooms
- Clarke Field House / Arena
- Outdoor venues (Forum Plaza, Amphitheater, Campus Quad)

4.4 Advancement & Donor Engagement Areas

- University Advancement offices
- Alumni Engagement spaces
- Donor reception areas

4.5 Academic & Public-Facing Facilities

- Kellogg Library (public areas)
- Academic colleges during tours, lectures, or events
- Performing Arts and lecture venues

4.6 High-Traffic Student & Campus Life Areas

- USU common areas
- Campus Recreation lobby
- Orientation and tabling zones

4.7 Outdoor & Athletics Event Areas

- Main campus quad areas
- Athletics facilities during events
- Temporary event hospitality stations

5. Departments & Units Covered

5.1 Enrollment, Admissions & Outreach

- Admissions & Recruitment
- Enrollment Management Services
- Financial Aid & Scholarships
- Outreach & Campus Tours
- International Admissions

5.2 Student Services & Success Centers

- Academic Advising
- Career Center
- Disability Support Services (DSS)
- EOP and TRIO Programs
- Cougar Care Network / Basic Needs
- Student Health & Wellness (public-facing areas only)

5.3 University Advancement & External Relations

- Advancement & Development
- Alumni Engagement
- Corporate & Foundation Relations
- Events & Protocol

5.4 Executive & Administrative Leadership Offices

- Office of the President
- Office of the Provost
- Vice President Offices

5.5 Event & Campus Life Operations

- University Student Union (USU)
- Conference & Event Services
- Campus Recreation
- Student Life & Leadership
- Associated Students, Inc. (ASI)
- Housing & Residential Education

5.6 Academic Colleges & Programs

- All Colleges (CoBA, CSTEM, CHABSS, School of Education)
- Library and academic event venues

5.7 Administrative & Employee-Facing Units (Conditional Use)

This unit is eligible only for event-based or externally engaged activities:

- **Human Resources (HR)**

Applicable Uses for HR

- Candidate interviews (especially executive-level or external candidates)
- New employee orientations / onboarding
- Training workshops and large group sessions
- Benefits fairs and open enrollment events
- External facilitator or partner meetings

Non-Allowable Uses

- Routine daily operations
- Internal administrative workspaces
- Walk-in or standard employee services

7. Funding & Allowability Guidelines

6.1 Auxiliary Funds (Primary Source)

Hospitality water service is most appropriately funded through auxiliary sources, including:

- Foundation funds
- Philanthropic or donor-related accounts
- ASI or student fee-supported programming funds
- Enterprise or self-support program funds

6.2 State Funds (Limited Use)

Use of state funds for water service must meet strict CSU criteria:

- Must demonstrate a clear and direct business purpose
- Must be tied to:
    - Official meetings with external stakeholders
    - Recruitment or retention activities
    - Student success or academic program delivery

State funds should not be used for routine or continuous water service in offices or general areas.

6.3 Cost & Sustainability Expectations

Departments are expected to:

- Use reasonable, cost-effective options (e.g., bulk dispensers vs. single-use bottles)
- Prioritize sustainable and environmentally responsible practices
- Avoid excessive or continuous service without documented need

7. Restrictions

Water service is **not permitted** in the following situations unless tied to an approved event:

- Individual offices (faculty/staff)
- Back-of-house operational spaces
- Standard classrooms (non-event use)
- Research labs and restricted areas
- Routine internal operations without external engagement

8. Compliance

All hospitality expenses must comply with:

- CSU Hospitality Policy guidelines
- CSUSM financial and procurement procedures
- Documentation requirements, including:
- Business purpose
- Attendee type (e.g., students, donors, candidates)
- Event or activity description

Non-compliance may result in expense denial or reallocation to non-state funding sources.