



SJSU

Hospitality Guide

Version 2.0

Table of Contents

CSU Policy	3
Policy Authority	3
Purpose	3
Approval of Hospitality Transactions	4
Allowable Expenditures	4
Funding Sources	5
CSU Operating	5
Other University Trust Funds	6
Professional and Continuing Education [PaCE]	6
Auxiliary Organization Funds	6
Hospitality Quick Reference Matrix	7
Employee Events	7
Employee Meetings	7
Employee-Only Events	8
Employee - Maximum Per Person Meal Rates	9
Approved Caterers and Other Food Providers	10
Events Including Non-Employees	11
Guest-related	11
Donor Cultivation and Appreciation	11
Candidates with Interest in the University	12
Community Relation Events	12
Spouses, Domestic Partners, and Significant Others	12
Student Events	13
Student Related	13
Permissible Activities	13
Student Participation Incentives/Surveys for Research (new)	14
SJSU Cares Program	14
Awards and Prizes	14
Employee Awards and Prizes	15
Non-Employee Awards and Prizes	15
Promotional Items	16
Entertainment	16
Unallowed Expenditures	16
Personal Benefit	16
Unallowed Transactions	16
Unallowable Gifts	16
Approval of Transactions	17
Documentation	17

Justification, Agendas, and Support Backup Documentation Requirement	17
Additional Information	18
Definitions	18
Forms	21
References	21
Contact Us	22
FAQs	22
Employee Meetings	22
Sponsored Events	24
Professional Development	24
Guests	25
Departments	25
Student Club	26
Regalia	26

CSU Policy

It is the policy of the California State University [CSU] that 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 CSU. This policy applies to activities promoting the CSU to the public and providing hospitality in connection with official CSU business and specifies the state and auxiliary funds that may be used for such purposes. For details, refer to [PolicyStat ID 13790907](#).

Policy Authority

Authority is according to California Education Code section 89044. This policy is issued under the delegation of authority from the Chancellor to the Executive Vice Chancellor and Chief Financial Officer. Implementation and compliance with the procedure is further delegated to the campus Chief Financial Officer, under California Education Code sections 66600, 89030, and 89035.

Purpose

This policy governs the manner and extent to which SJSU and its auxiliaries¹ may provide hospitality to employees, students, donors, guests, visitors, volunteers, and other individuals as

¹ SJSU Auxiliaries may have their own Hospitality Guidelines. Please contact them directly with any questions.

part of a business meeting; recreational, sporting, or entertainment event; or other occasion that promotes the mission of the university. The policy also addresses meals served to employees as part of a morale-building function and meals provided to prospective students and employees. Employee meetings that are carried out on a regular or frequent basis **are not permitted** under this policy.

Approval of Hospitality Transactions

The approval and payment process for hospitality is as follows:

1. Review the policy to determine whether the proposed expense is allowable.
2. Be sure you have departmental approval for hospitality-related expenses.
3. Determine the appropriate [Way to Pay](#); Include the [Hospitality Expense Justification Form](#) and supporting documents as backup.
4. Supporting documents might include:
 - a. An agenda, flier, and/or detailed schedule that outlines the schedule of the event including start and end times.
 - b. An attendee list that includes the attendee's first and last name, email address, and the affiliation to SJSU [student, faculty, staff, donor, etc.]
5. Payment Services will review the payment request and ask for further support if needed. If deemed appropriate, based on the SJSU Hospitality Guide, the payment/reimbursement will be processed based on the standard processing timeline for Payment Services.

Allowable Expenditures

When determining whether a hospitality expense is appropriate, the approving official 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. For more information, refer to the [Hospitality Quick Reference Matrix](#) for a list of types of events [i.e., employee-only, events with non-employees, student events] and State fund restrictions.

Important: All expenses paid for under this hospitality policy will be evaluated on an individual basis.

A payment request must include one or more of the following:

- An agenda
- A flier
- An itinerary that outlines the schedule of the event [including start and end times].
 - These schedule documents must be communicated in writing [email, meeting invitation, etc.] to the invitees before the event.

- An attendance sheet will need to be provided for all events where there are official guests [as defined].

Additionally, hospitality must be provided at the event location [unless the host is on travel status providing hospitality]. **Hospitality provided at a different location after the event has ended will not be reimbursed.** An event ends based on the end time specified on the agenda or event program/itinerary that was sent out prior to the event. Furthermore, hospitality must be made available to all attendees of the event and may not only be provided to an exclusive subset of the attendees [i.e., hospitality provided to volunteers only vs all attendees].

Funding Sources

Hospitality expenses may be paid from various State fund sources [a.k.a. State-side funds] and are subject to the rules outlined below and the restrictions in the [Hospitality Quick Reference Matrix](#). It is the responsibility of the Approving Officials to ensure that all funds are used in accordance with this policy. There are four types of funds available for the payment of hospitality expenses: CSU Operating Funds, Other University Trust Funds, Professional and Continuing Education Funds and Auxiliary Organization funds. Auxiliary Organizations funds are not considered State funds because they are separate legal entities. The [Fund Categories List](#) provides the list of Fund numbers and their categories.

CSU Operating

CSU Operating Fund consists of State appropriations and student fees. This Fund is the main source of support for SJSU's operations.

- CSU Operating Funds **MAY NOT** be used:
 - To pay for any expenditure prohibited by applicable laws, regulations, or agreements including the California Budget Act.
 - To pay for food and beverages or entertainment services that do not serve a business purpose.
 - To pay for alcoholic beverages, memberships in social organizations, or tobacco products.
- CSU Operating Funds **MAY** be used:
 - To pay for awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in a research-funded survey or study.
 - For employee recognition, and official presentations for length of service awards or exceptional contributions, with at least five years of service.

- To pay for official employee morale-building and appreciation activities that serve a business purpose.

Other University Trust Funds

Hospitality expenses may be charged to Other University Trust Funds provided the expense serves a bona fide business purpose. The use of Other University Trust Funds is determined by the established Trust Fund Agreement. Please refer to the University [Trust Fund Guidelines](#) for further information.

The following restrictions, in addition to those identified in [Hospitality Quick Reference Matrix](#), apply to the use of Other University Trust Funds:

- Other University Trust Funds may be used for awards and service recognition, entertainment services, gifts, membership in social organizations, and promotional items to the extent these purchases are not restricted by other applicable laws, regulations, or agreements.
- Other University Trust Funds may be used to pay for food and beverages for business meetings attended only by employees.
- Other University Trust Funds may be used to pay hospitality expenses only to the extent permitted by the statute under which the funds are established and maintained and subject to any other trust agreement or special project agreement.
- Federal or local government contract and grant funds may only be used to pay hospitality expenses specifically authorized in the contract or grant, or by agency policy. In the event of a conflict between agency and CSU policy, the stricter of the two policies shall apply.
- Other University Trust Funds **may not** be used to purchase alcohol or tobacco products.

Professional and Continuing Education [PaCE]

In accordance with [Executive Order No 1099](#), PolicyStat 6741737, PaCE funds shall be used only for the support and development of self-supporting instructional programs of the California State University, as provided in [Section 89704](#) of the California Education Code. Financial Management requirements for PaCE funds can be found under Article 13.

Auxiliary Organization Funds

Hospitality expenses may be charged to auxiliaries provided the expense serves a bona fide business purpose. The auxiliaries are Associated Students, Research Foundation, Spartan Shops, Student Union, and Tower Foundation. Auxiliaries are separate legal entities and their funds may be used to pay for formal awards and service recognition, entertainment services, alcoholic beverages, gifts, membership in social organizations, and promotional items to the extent that these purchases are not restricted by other applicable laws, regulations, or funding

source agreements. Please contact the auxiliary directly with any questions regarding their hospitality guidelines and restrictions.

Hospitality Quick Reference Matrix

Please refer to the [Hospitality Quick Reference Matrix](#) for funding and expenditures related to hospitality expenses. All university expenditures should be reasonable and appropriate to the business purpose.

Note: Alcoholic beverages are not allowed with State funds.

Employee Events

Employee Meetings

Hospitality expenses must be directly related to, or associated with, the active conduct of official SJSU business. When an employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear SJSU business purpose, with no personal benefit derived by the official host or other employees. In addition, the usage of funds for hospitality should be cost-effective and in accordance with the best use of public funds.

When determining whether a hospitality expense is appropriate, the approving authority must evaluate the importance of the event in terms of the costs that will be incurred, the benefits to be derived from such an expense, the availability of funds, and any alternatives that would be equally effective in accomplishing the desired objectives. Following are examples of occasions when the provision of hospitality is permitted under this policy, [fund restrictions still apply]:

- SJSU hosts or sponsors business meetings that directly correlate with the operations of SJSU.
- SJSU hosts official guests with an interest in the SJSU.
- SJSU hosts or sponsors a meeting of a learned society or professional organization.
- SJSU hosts receptions held in connection with conferences, meetings of a learned society or professional organization, meetings of student organizations and groups, student events such as commencement exercises, and events or meetings of other CSU-related groups such as alumni associations.
- SJSU hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors.
- SJSU hosts receptions for the benefit of employee morale, employee recognition, and official presentations for length or exceptional contributions of service awards, with at least five years of service.

Employee-Only Events

Employee Meetings, Training, and Other Administrative Type Events

If the criteria below are not met, hospitality meals or light refreshments provided to employees can be considered taxable income by the IRS and will not be reimbursed.

Meals or light refreshments provided to employees may be permitted if all the below apply:

1. Meetings are infrequent.
2. Event serves a university business purpose.
3. SJSU is acting as an official host to official guests [employees must be from different work locations].
4. The meal is a necessary part of the business meeting and not a matter of personal convenience:
 - a. Essential if **one** of the following are met:
 - i. A meeting where there is a scheduled speaker during the meal period.
 - ii. The meeting is more than 4 hours and participants are required to work through the meal period.
 - iii. The majority of attendees are on travel status, and it is more cost-effective to provide a meal.
 - iv. On rare occasions, if the business meeting is occurring while a SJSU employee is on travel status and the following are met:
 1. attendees are from different work locations [department, college, campus, etc.] and
 2. the meeting could not have been scheduled during normal work hours; allowability to use State funds for hospitality will be made on a case-by-case basis.
 - v. Occurs infrequently [12 times or less per calendar year], per group or committee.
 - vi. Are reasonable [max per person rate does not exceed the [Meal Limit Table](#)].

Note: No reimbursement will be allowed when two or more employees from the same work location choose to go to lunch/dinner together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during normal working hours.

Exceptions to the above:

1. The cost of meals for employees from the same work location is allowable if a working lunch is included as part of a scheduled meeting lasting more than 4 hours and employees are expected to work through the meal period [the expectation to work through the meal period must be communicated beforehand in the invitation or an email];

2. Employees are expected to work more than 6 hours on a day outside of their normal work schedule [i.e. scheduled to work on Saturday for 6 hours when the employees' normal work schedule is Monday to Friday].

Employee Morale and Recognition Events

Employee Morale

The university may pay for or reimburse costs associated with official employee morale-building and appreciation activities that serve a business purpose. Off-site activities, such as team building events, must not be mandatory, staff must have the ability to opt out. To assess the liability to the university, a risk analysis should be done regarding off-site and/or non-traditional events on a case-by-case basis. Contact [SJSU Risk Management](#) for assistance.

Under no circumstances may university funds be used for occasions that are celebratory in nature, such as employee birthdays, weddings, anniversaries, holiday gifts, or other occasions of a personal nature.

Employee Recognition

Employee recognition events, such as service award presentations, are meant to honor individuals who have achieved a superior accomplishment [a team implemented a new campus program, a director led an initiative to great success, or service awards for length of service over five years]. Light refreshments can be served at such events using state-side funding. Refer to the Gift Card Purchasing Guide *[Coming Soon]* for additional information on service awards.

A college/division might also have a documented award program to the extent that such expenses serve a purpose consistent with the mission and fiduciary responsibilities of SJSU and align with IRS regulations. Written procedures **shall be posted on the college/division web page** and document the award program, including eligible awards and per-person limits. Cash and cash equivalent items, such as gift cards for food or gift certificates for food, may be taxable to the employee as wages if cumulative equal to or over \$1600. A non-cash award or prize over \$100 may have a taxable consequence to the employee if it does not meet the [IRS Fringe Benefit definition](#) of **de minimis and infrequent**. Refer to the IRS for tax rules in the resources and materials section.

Employee - Maximum Per Person Meal Rates

Hospitality meals must follow the Hospitality Guide policy, which includes the “new” employee meal limits. As wardens of the state, it is our duty to ensure that we spend state funds responsibly and per established policy and guidelines. Please ensure that employee meals meet the policy requirements.

SJSU has identified authorization and documentation requirements, as well as a maximum per person rate[s], for breakfast, lunch, dinner, and light refreshments inclusive of the total cost of

food, beverages, labor, sales tax, delivery fees. The maximum meal rates should be reviewed and documented periodically by the Chief Financial Officer or designee.

Meal Limit Table

<i>Hospitality</i>	<i>Meal Type</i>	<i>Maximum Per-Person</i>
<i>Food and Beverage [food, beverages, labor, sales tax, delivery fees]</i>	<i>Breakfast</i>	\$25
	<i>Lunch</i>	\$35
	<i>Dinner</i>	\$70
	<i>Hors d'oeuvres²</i>	\$25
<i>Totals Per Day</i>		<i>\$130 [excludes hors d'oeuvres]</i>

Maximum Per-Person Rate: This applies to employee meetings and recognition events that serve an SJSU business purpose and are generally administrative in nature. When hospitality expenditures exceed the per-person maximum, a justification must be included with the request to process payment.

Note: Justifications do not automatically guarantee a reimbursement for the amount above the per-person rate.

Approved Caterers and Other Food Providers

Contracts and Procurement Services maintain the [Catering Policy](#), [Catering & Dining Payment Guide](#), and a [Master Catering List](#) of approved caterers. Caterers on this list have met all State and SJSU requirements for caterers by providing a copy of their current Santa Clara County Health Department license, and proof of insurance coverage. **Only suppliers on the university's approved caterers list can be used for hospitality events. (Please remember that Spartan Eats has the first right of refusal before choosing an alternative caterer).**

The university [ProCard](#) is the preferred method of payment for business-related food expenses less than \$5,000. Refer to the [Catering & Dining Payment Guide](#) for more information on the payment process.

If the department wishes to use a non-approved caterer, a [Requisition](#) is required to be submitted along with the event contract [i.e., quote, proposal, etc.] to the Contracts and Procurement Services for signature and processing prior to the event. Be aware the processing times for Requisitions can take anywhere from 10 business days to a few extra weeks depending on the complexity of the request.

² Hot or cold appetizers, in lieu of dinner meal service.

Food Delivery/3rd Party Delivery Services/Food Trucks

Refer to the [Catering & Dining Payment Guide](#).

Events Including Non-Employees

Guest-related

Infrequent meals and/or light refreshments may be paid or reimbursed for:

- when the university is a host or sponsor to official guests.
- a meeting of a learned society or organization.
- in-person candidate interviews.

Donor Cultivation and Appreciation

When SJSU hosts an event for the purpose of generating the goodwill of alumni, donors, and prospective donors, the cost of meals or light refreshments may be reimbursed. The primary purpose of these events must be donor cultivation/appreciation and any have no personal benefit.

Additionally, the majority of invitees to such events must be donors and alumni versus faculty and staff. If the majority of invitees are faculty and staff, the events must be evaluated on a case-by-case basis to determine allowability. Under no circumstances will hospitality for an event be reimbursed if the primary purpose is deemed to be celebratory in nature [e.g., holiday party, end-of-year dinner, etc.].

Donor & Recruitment Meals (*new*)

SJSU occasionally holds gatherings that are not related to travel but still require consideration. Meals involving donors or recruitment for students and/or future employees fall under hospitality-related events and should not be treated as travel per diems. The employee is expected to find the “most economical” meal during these occasions.

For example, if an employee travels to another state for a conference and also plans a dinner with a donor to foster university relations, the employee must adhere to the meal limits specified in the Hospitality Policy. However, this limit does not apply to the donor's meal.

To claim reimbursement for such events, ensure you include a Hospitality Expense Justification Form with these transactions, specify the type, and list the expense in the Business Expenses section of the Travel Claim Spreadsheet.

All hospitality meals must comply with the Hospitality Guide policy, including the newly updated employee meal limits. As stewards of taxpayer dollars, we are responsible for spending state funds responsibly and in line with established guidelines. Please ensure that employee meals meet the policy requirements.

Candidates with Interest in the University

Hospitality may be provided to recruitment candidates with interest in employment with the university only if the goal of the hospitality is to obtain an offer of acceptance of a faculty or director and above position. The potential benefits to the university must be evident and the cost of hospitality must be reasonable and appropriate to the occasion.

Community Relation Events

If the university hosts a community relations event to enhance community partnerships, promote goodwill, raise awareness, or cultivate donors, hospitality may be provided if the expected benefit to the university is greater than the costs that will be incurred.

Spouses, Domestic Partners, and Significant Others

Hospitality provided to the spouse, domestic partner, or significant other of an employee may be permitted when it serves a university business purpose such as ceremonial functions, fundraising events, alumni gatherings, and community events. An agenda, invitation, or similar documentation should be included with the payment request.

Other types of non-employee events hosted by the university will be evaluated on a case-by-case basis and will need to meet the following criteria:

1. The event serves a university business purpose; The [Hospitality Expense Justification Form](#) will need to state how the event benefits the university and furthers its mission.
2. A university representative is acting as an official host to official guests.
3. The benefit to the university is evident and greater than the cost of hospitality.
4. No personal benefit is derived by the SJSU host.
5. Costs are reasonable [max per person rate does not exceed the [Meal Limit Table](#)].

Student Events

Hospitality provided to students or prospective students may be permitted when it serves a university business purpose. To justify the expenditures, the approving authority must determine that the expenditure is consistent with the mission of the university.

Student Related

Student programs that serve a purpose consistent with the mission and fiduciary responsibilities of SJSU and align with IRS Regulations. Cash and cash equivalent items such as gift cards or gift certificates for food are taxable as income if the amount exceeds \$100. *Refer to our Gift Card Purchasing Guide (coming soon).*

Permissible Activities

Permissible activities may include:

- recruitment efforts
- student activities
- student programs and organization events
- student recognition events
- university-wide commencement.

Students may be hosted to attend fundraising and other community relations events that enhance their learning experience, in recognition of their student achievement and to engage with alumni and donors. Events may not be exclusive to select students [i.e., clubs, majors, etc.] unless the event recognizes student achievements such as dean's honor list ceremonies and other achievements above and beyond what is commonplace in a university setting [with the exception of university-wide commencement ceremonies]. Therefore, the event must be open to all students at a department-wide level within a college [i.e., the Accounting department of the College of Business, etc.] for hospitality to be reimbursable. If the event is exclusive to a select few students, the event must be for the recognition of achievements above and beyond what is commonplace in a university setting. Any event not meeting the circumstances will be evaluated on a case-by-case basis based on the following:

1. The event must serve a university business purpose.
2. A university representative is acting as an official host to official guests.
3. The benefit to the university is evident and greater than the cost of hospitality.
4. No personal benefit is derived by the host.
5. Costs are reasonable.
6. The preponderance of attendees must be students not faculty/staff.

Additionally, if the event is hosted by a student club, funds from [Associated Students](#) should be used to pay for the event. Only events hosted by the university will be allowable with State funds.

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 [e.g., National Collegiate Athletic Association.]

Student Participation Incentives/Surveys for Research (new)

Gift cards or gift certificates may be offered as incentives for participation in surveys or for gathering information from participants for research purposes and has a bona fide business purpose, but only when promotional items are not a feasible option.

Participation incentives shall not be considered a type of payment for supplies or services. Also, refer to the Gift Card Purchasing Guide *[Coming Soon]* for more information.

Participation incentives may be used:

- When there is a clear description and business purpose.
- When they do not exceed a value of \$100.00.
- When they are provided infrequently.
- When they are not provided to SJSU employees.

SJSU Cares Program

SJSU Cares is a campus program that provides resources and services to SJSU students facing many kinds of financial crises. Due to the nature of their operation, which includes Spartan Food Pantry and CalFresh, the Hospitality Guidelines do not apply to their activities where students are involved.

Awards and Prizes

Awards and prizes may be provided 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. Under no circumstances are items deemed to be a personal benefit allowed, since these are considered gifts of public funds.

Awards and prizes cannot be used to pay non-employees for goods and/or services received and/or rendered.

Employee awards are meant to be occasional and therefore, must be presented to an employee on an infrequent basis. Awards presented to an employee on a regular or routine basis do not meet the IRS test for exemption and are not allowable.

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.

Employee Awards and Prizes

Benefits provided to employees are taxable as wages unless the benefit is excluded by the Internal Revenue Code Section 132 [26 U.S. Code Sec. 132]; including de minimis fringe benefits. De minimis fringe benefits refer to any property or service whose value is so small as to make accounting for it unreasonable or administratively impractical. However, the Internal Revenue Service [IRS] has ruled in a previous case [[ILM 200108042](#)] that items with a value exceeding \$100 could not be considered de minimis, even under unusual circumstances. This includes tangible goods over \$100 in value. Additionally, the IRS has stated in Publication 15-B that certain benefits can never qualify as de minimis fringe benefits, including cash and cash equivalents, and should be included as taxable income to the employee. Prizes and awards may also be considered taxable income to the recipient.

To report the gift, prize, or award, they should be included in wages on Form W-2 and subject to income tax withholding. If the employee is covered for Social Security and Medicare, the value of the benefits is also subject to withholding for these taxes. The university may optionally report any information in box 14 of Form W-2.

An item of tangible personal property may be awarded to an employee for morale purposes [i.e., professional development/team building event], or in recognition of his or her noteworthy work-related accomplishments and/or length of service. Such awards should be of minimal value and must be approved by the approving authority [as defined]. Please refer to the Gift Card Purchasing Guide [*Coming Soon*].

Departments are encouraged to use [promotional items](#) [as defined in this policy] with a value of less than \$100 to reward or incentivize individuals. It is the responsibility of the employee's hiring department to track and report all awards and prizes for their employees to ensure income tax is withheld, if applicable.

Non-Employee Awards and Prizes

Reasonable awards and prizes made on behalf of the university to non-employees and outside organizations are allowed when the prize benefits the university, supports a university business purpose and fulfills the mission of the university. Additionally, any non-employee that accrues \$600 or more of payments or other income must be reported to the IRS.

Promotional Items

Use of promotional items such as SJSU branded keychains, coffee mugs, calendars, or clothing as a participant incentive for an event is encouraged. As a rule of thumb, promotional items of a reasonable and cost-effective amount may be purchased with State funds and these items would not be taxable, as they are de minimis to the recipient. For conferences and large events, promotional items should be limited to a combined value of less than \$50 per attendee.

Note: [Promotional materials are not intended for employees.](#)

Entertainment

Expenditures incurred in connection with events or activities that are primarily social or recreational in nature, such as equipment and venue rental, décor, music, and performers cannot be paid using State funds. On a limited, case-by-case basis, entertainment expenditures may be reviewed for allowability using State funds. If the entertainment is necessary, appropriate to the occasion, reasonable in nature, and is an integral part of an event that serves an SJSU business purpose; State funds may be allowed to be used.

Unallowed Expenditures

Personal Benefit

Hospitality expenses that are of a personal nature and not related to the active conduct of official SJSU 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. Personal benefit expenses such as birthdays, weddings, memorials, and baby showers or membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability are **not allowed**.

Unallowed Transactions

Examples of unallowable transactions include, but are not limited to, the following:

- Alcohol
- Virtual candidate interview meals

Unallowable Gifts (hallmark cards, flowers, items of a personal nature)

Examples of unallowable awards and gifts include, but are not limited to, the following:

- Gifts of cash
- Recreation memberships
- Gifts to employees in connection with birthdays, weddings, anniversaries, holidays, farewells*, graduations, and other occasions of a personal nature.

*farewells/retirements for service less than 5 years.

Approval of Transactions

All hospitality expenses submitted through any of the authorized procurement methods require the approving official's review and approval as stated in the [Delegation of Authority for the Approval of Financial Expenditures Guidelines](#).

Each campus and auxiliary must follow the requirements of the CSU Hospitality Policy as listed below:

- Individuals with delegated approval authority may not approve their expenses and individuals may not approve the expenses of their supervisor. The exception is an approval of the chancellor or president's expenditures by the chief financial officer.
- 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 to the CSU to be derived from the expense.
- Payment or reimbursement of hospitality expenses for recreational, sporting, or entertainment events must be approved by the chancellor, president, or their designee.
- Payment or reimbursement of hospitality expenses for a spouse, domestic partner, or significant other of an employee must be approved by the chancellor, president, or their designee.

Documentation

Justification, Agendas, and Support Backup Documentation Requirement

All hospitality expenses must have a completed and authorized signed [Hospitality Expense Justification form](#) submitted along with support backup documentation such as an agenda, itinerary, quote, invoice, and receipts when requesting payment or reimbursement. Information required on the justification includes names of attendees, date, time, location, and business purpose of expense.

Important: All employee meetings and events **REQUIRE** an agenda or flier as backup documentation.

Additional Information

Definitions

Approving Authority [Official]: Management-level staff consisting of MPP-level employees and department chairs who have been authorized to approve expenses in accordance with

university policy. For further information regarding Approving Officials and delegation of authority, please see the [Delegation of Authority for the Approval of Financial Expenditures Guidelines](#).

Auxiliary Organization Funds: Monies in auxiliary accounts. CSU auxiliaries are separate legal entities authorized in the Education Code to provide essential services to students and employees. Auxiliaries operate in association with campuses pursuant to special written agreements and are authorized to perform specific functions that contribute to the educational mission of the campus. These organizations are subject to applicable state and federal laws and regulations. The auxiliaries at SJSU are Associated Students, Spartan Shops, Student Union, Research Foundation, and Tower Foundation.

Awards and Service Recognition: Something of value given or bestowed upon an individual, group or entity in recognition of service to the university or achievement benefitting the university; e.g. financial prizes, trophies, plaques, and flowers.

CSU Operating Fund: Fee revenue plus funds appropriated by the state legislature to support expenditures of the university.

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 Meetings and Recognition Events: Meetings that serve a university business purpose and are generally administrative in nature such as campus-wide meetings of functional offices, meetings of the Academic Senate, campus meetings of deans and directors, employee morale functions, extended formal training sessions, conferences, extended strategic planning sessions, and meetings of appointed workgroups and committees.

Entertainment Services: Expenditures incurred in connection with events or activities that are primarily social or recreational such as equipment and venue rental, décor, music, and performers. Service expenditures related to showcasing the talent of students or employees are considered regular business expenses and are not governed by this policy.

Federal Officials: Federal government employees, elected representatives of the House and Senate, the president of the United States, presidential appointments, and other representatives of the Executive branch. Federal officials are subject to complicated and extensive ethics rules which should be reviewed before any exchange of an item of value.

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 the following:

Finance and Business Services - Payment Services

- Activities substantially related to the accomplishment of the CSU's educational purpose, including such activities that receive sponsorship.
- Unrelated trade or business activities that generate service fees.
- Fundraising solicitations and related prospecting activities intended to generate only a contribution [no purchase of goods or services].
- Raffles in which the prizes have only a nominal value and do not require reporting as taxable income.

Gift: Something of value [within a reasonable amount or under \$100] given or bestowed upon an individual, group, or entity with the expectation of benefit accruing to the university or for other occasions that serve a bona fide business purpose.

Note: Gold Point cards, gift cards, gift certificates, cash, or any other cash equivalent item given to faculty, staff, or students as a prize, award, or gift, is considered taxable income by the IRS, regardless of the amount, and where applicable, must either be reported as income, additional salary or wages, or may be subject to withholding.

Hospitality: The provision of meals [catered or restaurant] or light refreshments [beverages, hors d'oeuvres, pastries, cookies, etc.], promotional materials, gifts, and/or travel expenses of official guests of the university. Hospitality includes expenses for activities that promote the university to the public, usually with the expectation of benefits accruing directly or indirectly to the university, and may include the provision of gifts, awards, and promotional materials.

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 regular business expenses and are not governed by this policy.

Official Host: A university employee who hosts a meeting, conference, or event.

Official Guest: A person invited by an official host to attend a university meeting, conference, reception, activity, or event. Examples of official guests include employees from another CSU campus, students, donors, volunteers, members of the community, media representatives, and/or recruitment candidates. **Employees of this university are not considered official guests.** Employees from other CSUs can be considered an official guest.

Other University Trust Funds: All university funds other than CSU operating funds, and trust and agency funds held in a custodial capacity for third parties, all other funds controlled by CSU including, among others, Lottery Education Funds and Enterprise Funds.

Participation Incentives: Gift cards or promotional items that are used to obtain participation and/or collection of information from participants. Gift cards and gift certificates shall only be purchased from locations that do not sell alcohol or tobacco [e.g. campus bookstore, department store, and other retail cards]. Such gift cards must confer the right to receive tangible personal property, not cash or cash for the difference between the purchase price and the value of the gift certificate or card. Note that gift cards, and other cash equivalent items, are taxable per the Gift Card Purchasing Guide. For students, these items impose restrictions on receipt of other financial benefits from the university or US Government and/or may have tax implications.

Private-Purpose Trust and Custodial Funds: As defined by [Delegation of Fiscal Authority and Responsibility](#).

Professional Development: Professional development refers to activities designed to enhance an employee's job-related skills and knowledge, whether it is learning to be a team member or how to handle conflict at work. Professional development **does not refer to learning day-to-day operations** within an employee's department.

Promotional Materials: A gift of tangible personal property that is distributed to promote the name or image of the university, to provide information, or to enhance university productivity. Promotional items are of minor value and bear the university logo, a university-related icon, and/or information identifying the university. Examples would include a pen, folder, keychain, coffee mug, calendar, or clothing. **Note:** promotional materials are not intended for employees.

State-Side Funds: Also known as state-side funds. State-side funds are considered public funds and managed by the university. CSU Operating, PaCE, and Trust Funds are considered State funds.

Sponsored Program Administration Funds: Federal, state, local government, and private contracts.

Student Organizations: As defined in Student Activities, these are organizations recognized by SJSU. They follow guidelines from Student Involvement and play an active role on campus cultivating student interests in academics, club sports, cultural/religious, fraternity/sorority, and special interests section titled "Formal Chartering and Recognition Policies."

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

Forms

[Hospitality Expense Justification](https://www.sjsu.edu/fabs/docs/hospitality_expense_justification.pdf)

[https://www.sjsu.edu/fabs/docs/hospitality_expense_justification.pdf]

References

[The California State University List of Auxiliary Organizations](https://www.calstate.edu/csu-system/auxiliary-organizations)

[https://www.calstate.edu/csu-system/auxiliary-organizations]

[Catering Policy](https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/catering-policy.php) [https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/catering-policy.php]

[Catering & Dining Payment Guide](https://docs.google.com/document/d/1kYmj7FDdypQWSFgrkpD6GYsgQ7dT6qjSRxP1GrS1IWg/edit?usp=sharing)

[https://docs.google.com/document/d/1kYmj7FDdypQWSFgrkpD6GYsgQ7dT6qjSRxP1GrS1IWg/edit?usp=sharing]

[Delegation of Authority for the Approval of Financial Expenditures Guidelines](https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/daafe.php)

[https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/daafe.php]

[Executive Order No. 1099](https://calstate.policystat.com/policy/10548254/latest/) [https://calstate.policystat.com/policy/10548254/latest/]

[Gift Card Purchasing Guide](#) ← **Coming Soon**

[Hospitality Quick Guide Matrix](https://docs.google.com/spreadsheets/d/164bYlhHkuVoKFVav7ayB8lI0gWOYwAbJIVLjdmPjIzQ/edit?usp=sharing)

[https://docs.google.com/spreadsheets/d/164bYlhHkuVoKFVav7ayB8lI0gWOYwAbJIVLjdmPjIzQ/edit?usp=sharing]

[CSU Hospitality Policy : PolicyStat ID: 13790907](https://calstate.policystat.com/policy/13790907/latest/?showchanges=true)

[https://calstate.policystat.com/policy/13790907/latest/?showchanges=true]

[Petty Cash](https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/petty-cash.php) [https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/petty-cash.php]

[ProCard](https://www.sjsu.edu/fabs/services/p2p/pay/procard.php) [https://www.sjsu.edu/fabs/services/p2p/pay/procard.php]

[Requisition](https://www.sjsu.edu/fabs/services/p2p/pay/requisition.php) [https://www.sjsu.edu/fabs/services/p2p/pay/requisition.php]

[Travel Guide](https://www.sjsu.edu/fabs/docs/travel_guide.pdf) [https://www.sjsu.edu/fabs/docs/travel_guide.pdf]

[CSU Travel and Business Expense Reimbursement Policy](https://calstate.policystat.com/policy/15645082/latest/)

[https://calstate.policystat.com/policy/15645082/latest/]

[Trust Fund Guidelines](https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/trust-fund-guidelines.php)

[https://www.sjsu.edu/fabs/how-we-can-help/policies-guides/trust-fund-guidelines.php]

Contact Us

[Strategic Sourcing - Contracts](https://www.sjsu.edu/fabs/services/contracts/contact-us.php) [https://www.sjsu.edu/fabs/services/contracts/contact-us.php]

[Strategic Sourcing - Procure to Pay](https://www.sjsu.edu/fabs/services/p2p/index.php) [https://www.sjsu.edu/fabs/services/p2p/index.php]

Please contact Finance Support with any questions about the Hospitality Guidelines by emailing financeconnect@sjsu.edu or phone: 408-924-1558.

FAQs

Employee Meetings

Q: Can I order food for an employee-only meeting?

A: No, State funds are not allowed per CSU Policy Stat 13790907 however, you may want to check with Tower or Research Foundation.

Q: Can I use State funds for employee morale events?

A: Yes, please refer to [Employee Morale Events](#).

Q: I am a supervisor and would like to host a lunch meeting [12-1 PM] for the staff within my department/work location to discuss our goals for the month. Can I use State funds to pay for hospitality for this meeting?

A: No, hospitality cannot be provided to employees from the same work location unless the meeting is lasting longer than 4 hours and employees are expected to work through the meal period. This scenario does not meet the criteria.

Q: I am hosting a one-day effective leadership training for employees from different work locations. It is an all-day training session on campus with a consultant providing a presentation during the lunch hour. I would like to provide lunch to the training attendees, so we may continue working through the lunch hour. Can I use State funds to pay for this meeting?

A: Yes, since the event has a university business purpose, and hosts employees from different work locations, the meal is an essential part of the event [scheduled speaker during the meal period and the meeting is longer than 4 hours] and the hospitality provided is infrequent in occurrence [12 times or less per calendar year per group or committee].

Q: I am on travel status and would like to provide hospitality to my colleagues, who are also on travel status, after an event. I am having a meeting that includes my staff and some employees from another work location. I have arranged to have dinner brought in since it was not provided

during the event, and it is more cost-effective to do so. Can I use State funds to provide hospitality?

A: Yes, since the majority of attendees are on travel status, and it is more cost-effective to provide hospitality versus a meal.

Q: I am hosting a half-day meeting for employees that concludes around 1 PM. I would like to provide box lunches for the participants to return to their desks to eat. Can I use State funds to provide hospitality?

A: No, the university does not pay for meals for staff during a normal workday, unless the meeting is longer than 4 hours and the employees are expected to work through lunch. Additionally, alternate work schedules can be accommodated to allow staff to take their lunch hour after the conclusion of the meeting. Therefore, when alternative work schedules are available, no lunch may be provided.

Q: I am a division AVP, and I would like to host a reception for the length of service awards presentation for retiring staff. I would like to provide attendees with light refreshments, may I use State funds to pay for this?

A: Yes, light refreshments and awards related to a length of service reception for employees separating with at least five years of service may be paid for using State funds.

Q: My division will be working on Friday [eve], Saturday, and Sunday to help during Commencement weekend. The employee volunteers are expected to work more than 6 hours outside their normal work schedules each day. Can we use State funds to purchase food for the staff?

A: Yes, this is allowed if the employees are expected to work more than 6 hours outside of their normal work schedule. Therefore, if their normal work schedule is M-F 8 AM-5 PM, working 6 or more hours after 5 PM on Friday and 6 or more hours on Saturday and Sunday would allow for food to be provided using State funds.

Q: Our department is hosting a “holiday celebration” that will include alumni/donors and will also recognize a lecturer for 30 years of service. The event invitation includes 14 faculty/staff and 4 alumni. Can the department use State funds to pay for hospitality related to the event?

A: No, this event includes a donor appreciation, holiday celebration, and a staff appreciation component, using State funds for this event will not be allowed for several reasons:

- 1] donor appreciation events require that the preponderance of attendees of such events be donors and alumni versus faculty/staff;
- 2] holiday celebrations are not considered a valid business purpose;
- 3] although a few donors were in attendance, this does not support the fact that the primary purpose of the event was for networking or recognition.

Q: I paid for a donor event along with my meal, do I need to follow the new meal limit requirements?

A: Yes, all employees must follow this new guidance regardless of what event they participate in.

Sponsored Events

Q: My college is organizing a fundraising event through the Foundation, with the goal of fundraising for the college and extending the brand to the community. Can the department purchase a table as a sponsorship at the event with State funds?

A: No since the University is not an official host of the event this would not be permissible under the hospitality procedures. Furthermore, sponsorships cannot be paid for with State funds, as it is seen as a donation or a gift of public funds, which is not allowed by the CSU.

Q: We would like to sponsor an event of a local Not-for-Profit, in exchange for our logo on the event flyers, table, etc. Can we use State funds for this sponsorship under the hospitality procedure?

A: No, State funds cannot be used to sponsor an event of another organization under the hospitality procedure since we are not the official host, and a sponsorship is not considered a hospitality-type expense. Sponsorships cannot be paid for with State funds, as it is seen as a donation or a gift of public funds, which is not allowed by the CSU.

Q: An external review of our department is scheduled to be a full-day event [7:30 AM to 6:00 PM] where hospitality will be provided [assume the event meets the criteria of the hospitality procedure]. However, our department would like to host a welcome dinner the night prior to the external review with the external reviewers and faculty/staff involved in the review. Can we use State funds to pay for the hospitality provided the day prior to the event?

A: No, hosting a dinner the night before would be considered a separate event that would need to be assessed on a standalone basis and cannot be combined with the main event. Additionally, the welcome dinner would not be considered a valid business purpose.

Professional Development

Q: Our department is hosting a professional development event for all faculty and staff and would like to obtain an entertainer [magician, dancers, DJ, etc.] for the event to keep the crowd “happy” and engaged in between event activities. Is this permissible under the hospitality policy?

A: No, this expense does not serve a business purpose as it is only for entertainment and not an integral part of the event.

Q: Our department is hosting a 2-day coaching workshop. In attendance, there will be 14 faculty, 1 staff and an outside facilitator [vendor]. The 14 faculty and 1 staff person are from the

same department and are not expected to work through the lunch period. Can hospitality be provided for this event using State funds?

A: No, although there is an outside facilitator involved in the event, they are acting in a vendor capacity [i.e., as a guest speaker, facilitator, consultant] and are not considered a participant in the event; therefore, employees from the same work location cannot use State funds to pay for hospitality expenses for this event.

Guests

Q: A guest speaker will be presenting on campus during an event and will be staying at a hotel the night of the event to fly out the next morning. Can we provide a meal to the speaker for dinner after the event using State funds under the hospitality policy?

A: No, vendors cannot be provided a meal since this is considered additional compensation.

Q: We would like to provide hospitality [working meals, light refreshments, etc.] to our department's external reviewers who will be on campus for two days for the program review. The external reviewers' schedule is very tight, and we are providing them with a working meal to have the reviewers work through lunch. Providing lunch would give the reviewers the opportunity to continue to work, which means they would not need to be here more than the original two days that were initially planned. Can we use State funds to pay for this working lunch meal?

A: Yes, hospitality may be provided in this situation since not providing hospitality may prolong the review time and reviewers working through lunch is a savings to the university for costs of lodging, etc.

Departments

Q: I am the department chair, and I would like to host a recognition lunch for students who completed an internship with a government agency as part of their curriculum. I would like to discuss their experience during the internship. Can I use State funds to pay for this?

A: No, if the event is exclusive to a select few students, the event must be for the recognition of achievements above and beyond what is commonplace in a university setting. Since this internship is built into the curriculum, it is not considered an achievement above and beyond what is expected for a student in the same program.

Q: I am a department chair and would like to host a recognition event for a group of students who are in my undergraduate program who participated in a national competition and finished in the top 3 competing teams in the nation. Can I provide hospitality to recognize these students [using State funds] and present their journey to other students in the program with interest in the competition?

A: Yes, based on the information outlined above, this appears to be recognition for an achievement above and beyond what is commonplace in the program. Additionally, the

students' experiences are being shared to motivate other students to engage in similar activities.

Q: Our department is hosting an alumni panel where our students can ask questions and network with distinguished alumni. After the panel, we are taking some of the alumni and faculty to dinner to continue our conversation. Can we use State funds to pay for the dinner after the event?

A: No, hospitality provided at a different location after the event has ended will not be reimbursed. Also, if the hospitality is only provided to an exclusive group and the hospitality is not made available to the original attendees of the event, hospitality will not be reimbursed.

Q: I would like to purchase campus-branded shirts for my department staff. The shirts are not part of a department uniform, but they could wear the shirt at campus events. Can I use State funds for this?

A: No, as the purchase described cannot be excluded as a de minimis fringe benefit to the employees. The shirts are not a uniform, where they are a condition of employment, and they cannot be adaptable to general usage as ordinary clothing since they have the campus branding.

Student Club

Q: A student club is hosting an event that is part of the campus business week, could we use State funds to provide hospitality?

A: No, we cannot pay for student club-hosted events with State funds. In this scenario we are not the official host, therefore we cannot provide hospitality. Gifts, Promotional Items, Awards, and Other

Regalia

Q: Are graduation sashes, cords, or medallions allowed to be purchased for students with State funds, and are they considered hospitality?

A: State funds cannot be used to pay for graduation sashes, cords, or medallions for simply graduating, as this is a standard accomplishment in a university setting. It is not considered an exemplary accomplishment. The sashes/stoles are personal items and considered gifts since they are commonplace in a commencement ceremony versus an award that is for the achievement of something above and beyond graduation [i.e., making it on the dean's honor list].

Q: I am a dean of a college and would like reimbursement for my regalia purchase for graduation. Can State funds be used for this reimbursement, and is this considered hospitality?

A: No, this is not considered hospitality. Additionally, State funds cannot be used to reimburse for the purchase of regalia for graduation, as the purchase of regalia is a personal expense and

Finance and Business Services - Payment Services

cannot be reimbursed using State funds. State funds can, however, be used to reimburse or pay for rental costs associated with regalia.