

<p>CSU FULLERTON AUXILIARY SERVICES CORPORATION (ASC) POLICY AND PROCEDURES</p> <p><b>Section: GENERAL ACCOUNTING AP 260</b> <b>Approved by: CFO, TARIQ MARJI</b></p>	<p><b>Dept: ASC FINANCIAL SERVICES</b></p> <p><b>No: AP 260</b></p>
<p><b>Subject:</b> <b>Hospitality Policy and Procedures</b></p>	<p><b>Date:12/2013</b> <b>Total 3 pgs.</b></p>

### **260.1 PURPOSE**

This policy governs the process by which the CSU Fullerton Auxiliary Services Corporation may provide hospitality to employees, students, donors, guests, visitors, volunteers, and other individuals as part of a business meeting, recreational, or entertainment event, or other occasion that promotes the mission of the ASC and CSUF. Hospitality expenses may be paid to the extent that such expenses are necessary, appropriate to the occasion, and reasonable in amount. This policy also addresses meals served to employees as part of a morale-building function, and meals provided to prospective students and employees.

### **260.2 SCOPE**

This policy governs the appropriate use of ASC's Administrative Operation Funds 10, 40, and 20. Grants and Contracts are to comply with the restriction imposed by the funding source. Campus Programs Operations funds, University trust accounts, and designated funds are to follow the CSU Fullerton hospitality expenditures guidelines.

### **260.3 ALLOWABLE EXPENDITURES AND OCCASIONS**

Hospitality expenses must be directly related to, or associated with, the active conduct of official CSU, CSUF, and ASC business. When an employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear CSU business purpose, with no personal benefit derived by the official host or other employees. In addition, the expenditure of funds for hospitality should be cost effective. Expenditures must be in accordance with IRS guidelines, state regulations, and CSU policies. No employee business meal or entertainment expenditure that is considered taxable income under IRS regulations will be reimbursed or paid. An employer's reimbursement of an employee business meal or entertainment expense may be considered taxable income to an employee if:

- The activity is not directly related to the employee's job.
- The expense is lavish or extravagant under the circumstances.

- The expense is not substantiated with supporting documentation.

#### **260.4 EMPLOYEE MEETINGS AND RECOGNITION EVENTS**

Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently and are reasonable and appropriate to the business purpose. Meals or light refreshments provided to employees on a frequent or routine basis are considered taxable income by the IRS and are therefore not permitted under this policy.

- Meals or light refreshments should be limited to no more than twelve times per year, per group.
- Meals or light refreshments provided in the course of a business meeting must be modest and reasonably priced. When a meeting takes place over an extended period of time and the agenda includes a working meal, there may be justification that the meal is integral to the business function, examples include:
  - A meeting where there is a scheduled speaker during the meal period;
  - A meeting where the participants work through the meal period;
  - Circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location.

#### **260.5 UNALLOWED EXPENDITURES**

##### **I. Personal Benefit**

Hospitality expenses that are of a personal nature and not related to the active conduct of official business will not be paid or reimbursed. Expenses include, but are not limited to, employee birthdays, weddings, anniversaries, and baby showers. Memorial services, celebrations of retirement, and farewell gatherings for employees with at least 5 years of service are permissible.

##### **II. Discrimination**

Hospitality expenses will not be paid or reimbursed for membership in social organizations, activities or entertainment services that discriminate based on race, color, religion, national origin, ancestry, age, gender, sexual orientation, marital status, veteran status, or disability.

#### **260.6 FUNDING SOURCES**

##### **I. Trust and Agency Funds Held for Third Parties**

Trust or agency funds held by the ASC in a purely custodial capacity on behalf of third parties are subject to applicable laws and written agreement.

## **II. Grants and Contracts**

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 ASC policy, the stricter of the two policies shall apply.

### **260.7 APPROVAL OF TRANSACTIONS**

- ASC Directors are authorized to spend \$250 per event, \$1,000 annually, or an approved, budgeted amount.
- Amounts over \$250 require the approval of the CFO, or approval by a person designated by the CFO.
- Individuals with delegated approval authority may not approve their own expenses, and individuals may not approve expenses of their supervisor. The exception is approval of the Executive Director's by the Chief Financial Officer.
- When appropriate and necessary, the Executive Director, or the CFO, may make a limited exception to the hospitality policy. The purpose of the exception must be documented and signed by the Executive Director or the CFO.