
Sponsored Programs Hospitality Policy

Purpose:

This policy establishes definitions and guidelines for expenses related to hospitality through Sponsored Projects.

Definitions:

Hospitality: the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies, etc.) at a business event or meeting, or the provision of promotional materials, gifts, and travel expenses to official guests of the foundation/university.

Alcoholic Beverages: Costs of Alcoholic beverages are unallowable. [A-21 Section J.3](#)

Allowable: Costs that are permissible under federal government rules and definitions as stated in [OMB Circular A-21](#)

1. REASONABLE

- a. An expense is reasonable if the purchase is necessary, allocable, appropriate in quantity and fairly priced. Occasionally, a purchase which on its own may look unreasonable may be reasonable when examined in context with its necessity. Expenditure should be in line with what a prudent person would consider normal or reasonable

2. NECESSARY

- a. An expense is necessary if the purchase is needed to carry out the project. Will the project be harmed if this purchase is not made? The sponsor considers all expenses specifically identified in the approved budget necessary expenses.

3. ALLOCABLE

- a. A cost is allocable if the goods or services involved are chargeable in accordance with benefits received, or if it is incurred solely to advance the work under the project. Costs that benefit more than one project are not allocable when it cannot be determined how much each project benefits. Allocable costs may not be shifted to other sponsored projects to meet deficits caused by overruns. Nor may those costs be shifted to avoid restrictions imposed by law of the sponsored project. Allocable funds may not be shifted for reasons of simple convenience either.

Meetings and Conferences: costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. [A-21 Section J.32](#)

Entertainment Costs: Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation and gratuities) are unallowable. [A-21 Section J.17](#)

Business Meal: a meal at which official sponsored programs business is conducted and which meets the standards for reimbursement. To qualify as a reimbursable business meal, the meal must be a necessary and integral part of the business meeting and technical information is disseminated.

Official Host: an ASC or University employee who hosts a meeting, conference, or event.

Official Guest: a person invited by an official host to attend a Sponsored Program meeting, conference, reception, or event. Examples of official guests include employees from another work location, members of the community, or participants of the program. Employees of the university are not considered official guests.

Allowability of Hospitality Expenses:

Hospitality expenses are normally not allowable on sponsored projects, unless the proposal narrative addresses these activities as an integral part of the program or approval is obtained by the sponsor. However, in certain instances food purchases for a meeting may be allowed as part of the approved project budget for a sponsored project. An example would be a professional meeting or workshop that runs for several hours and technical information is disseminated. In this case, a meal may be offered to the Official Guests in order to maintain continuity of the meeting. The following apply for all sponsored projects:

1. Expenditures for food, light refreshments, incentives or promotional materials must be specifically identified in the sponsor approved budget.

2. Expenditures must be allocable to the specific project and allowable in accordance with A-21.
3. Expenditures may not be used to pay for food and beverages for business meetings attended only by employees of the same immediate work location unless specifically identified in the sponsor approved budget.
4. Expenditures must conform to the specific requirements of the sponsoring agency.

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.

Guidelines for Meeting Expenses:

Certain meeting expenses such as meals, refreshments, or rentals are allowable if the meeting aligns with A-21 Section J.32 and are explicitly stated in the proposal narrative or written approval is provided by the sponsor.

If the meeting, conference, symposium etc. are only for employees of the same work location than food and beverages are unallowable; however, if official guests are invited than food and beverages are allowed on approved meetings, conferences, symposiums etc.

The following is required to determine if such meeting expenses are allowable:

1. Agenda of meeting including start and end time
2. List of participants including work location of each participant (i.e. Jane Smith, CSU Long Beach)
3. Statement regarding the purpose, reasonableness and necessity for meeting pertaining to the sponsored project and a schedule showing a working meal (if applicable)

Expenses allowed on approved meetings, conferences, symposiums etc:

1. Meetings with a timeframe of 4 hours or less – no expenses allowed
 2. Meetings with a timeframe of 5-6 hours – light refreshments such as beverages, hors d'oeuvres, pastries, cookies, etc) are allowable
 3. Meetings with a timeframe of 6 hours or more – meals either catered or restaurant are allowable
- *the above criteria for timeline is not always applicable with those projects where meeting expenses are approved and technical information is disseminated.

Meals:

It is important to identify the number of participants for such events prior to the meeting/conference/symposium etc. The purpose for properly identifying the number of participants is to not purchase more items or meals than necessary. If the event is scheduled to have more than 10 participants then participants should be required to RSVP (2-3) weeks prior to the event so that the official number of participants or close to it can be recorded and appropriate items/meals can be purchased with that official number.

It is understandable that individuals that have not RSVP'd to attend may have meals/items provided within reason. This is why it is important to work closely with your Sponsored Programs Administrator to determine how to account for individuals who have not RSVP'd but may still be expected. It is also important to work closely with the vendor (i.e. catering company) because the vendor may only bill for the actual number of meals provided OR they might bill based on the estimated quote which may be higher than the actual number of meals provided.

Room Rental:

If the meeting will not be held on campus, i.e. renting a conference room in a hotel, an agreement will usually be required by the hotel/property. This agreement will *always* need to be between the property and Auxiliary Services Corporation (ASC) and the signer will *always* need to be ASC Executive Director or Designee if payment for the room rental or related costs will be coming from a Sponsored Project.. If a conference or meeting is taking place where a room rental is needed, then agreement from the property/hotel needs to be

provided to ASC no less than 30 days prior to the event so that the Sponsored Programs Administrator has adequate time to review and submit to the Executive Director or Designee for review and signatures.

Methods to Purchase Meals or other Hospitality Expenses

For approved catered events, all vendors must be either already on the approved vendor list OR approved separately by providing your Sponsored Programs Administrator a copy of the vendors business license and certificate of insurance prior to setting up any arrangements for catering.

There are (2) methods for purchasing meals or other hospitality items that are allowable on sponsored projects.

1. Out of pocket expenses – If expenditures are made out of pocket then the individual needs to:
 - a. complete a Check Request Form
 - b. obtain signatures from appropriate signers
 - c. attach to the completed and signed check request form
 - i. **original itemized receipts or invoices**
 - ii. Agenda of meeting, conference, symposium etc, including start and end time
 - iii. List of participants via sign in sheet or registration list including work location of each participant (i.e. Jane Smith, CSU Long Beach)
 - iv. Statement regarding the purpose, reasonableness and necessity for meeting pertaining to the sponsored project
2. Purchase Order Form
 - a. The PO form can be used if the vendor accepts an ASC PO# before the event and bills ASC after the event is complete
 - b. Obtain quote from the vendor
 - c. Complete the Purchase Order Form
 - d. Submit PO Form, quote, appropriate documentation for event/meeting to Sponsored Programs Administrator for approval
 - i. Such appropriate documentation for event/meeting includes flyer, tentative agenda, etc stating when, where, and purpose of such event/meeting
 - e. If the sponsored programs administrator approves the PO, the requestor will be given the PO# to provide to the vendor.
 - f. After the event/meeting, the vendor will send final invoice stating PO# to CP-275 to process payment
3. P-Card – this method should only be used after speaking with your sponsored programs administrator to determine allowability
 - a. Upon reconciling P-Card statement attach original itemized receipts, agenda, list of participants and statement regarding purpose, reasonableness and necessity for meeting pertaining to the sponsored project.