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Hospitality Policy

I. 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 that promote the CSU to the public and the provision of hospitality in connection with official CSU business and specify the state and auxiliary funds that may be used for such purposes.

II. Procedure

A. PURPOSE

This policy governs the manner and extent to which the CSU and its auxiliaries may provide hospitality to employees, students, donors, guests, visitors, volunteers, and other individuals as part of a business meeting; recreational, sporting or entertainment event; or other occasions that promote the mission of the CSU. The policy also addresses meals served to employees as part of a morale-building function and meals provided to prospective students and employees.

B. SCOPE

This policy governs the appropriate use of state, auxiliary organization, sponsored program administration, private-purpose trust and fiduciary funds unless legally exempted or otherwise restricted (e.g. documented fund agreements). The CSU and its auxiliaries will comply with additional restrictions when established by funding sources.

C. ALLOWABLE EXPENSES

Hospitality expenses must be related to, or associated with, the active conduct of official CSU business. When an employee acts as an official host, the occasion must, to 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 usage of funds for hospitality should be cost effective and in accordance with the appropriate

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. Examples of occasions when the provision of hospitality is permitted under this policy (fund restrictions still apply) include instances when the CSU:

- Hosts or sponsors business meetings that directly correlate with the operations of CSU;
- Hosts official guests with an interest in the CSU;
- Hosts or sponsors a meeting of a learned society or professional organization;
- 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;
- Hosts or participates in community relations or fundraising events to promote the university, enhance partnerships, recognize distinguished service, or cultivate donors;
- Hosts receptions for the benefit of employee morale, employee recognition, official presentations for length of service awards, including retirement (with at least 5 years of service) or exceptional contributions of service.

1. Employee Meetings

Food and beverage provided to employees may be permitted if the expenses occur infrequently, are reasonable, and when it serves a CSU business purpose. Food and beverages at meetings that are carried out on a routine or frequent basis are not permitted under this policy. Additionally, public expenditures that are driven by **personal motives (refer to section D.1. Personal Benefit)** are an impermissible use of public funds. When a meeting takes place over an extended period and the agenda includes a working meal, there must be justification that the meal is integral to the business function.

2. Spouses, Domestic Partners, and Significant Others

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

3. Students and Prospective Students

Hospitality provided to students or prospective students may be permitted when it serves a CSU business purpose. To justify the expenditure, one must determine that the expenditure is consistent with the mission of the CSU. Permissible activities may include recruitment efforts, student activities, student programs, student organization events, student recognition events and commencements. Students may be hosted to attend fundraising and other community relations events that enhance their learning experience, in recognition of their student achievement, to engage with alumni and donors, or as representatives of elected student leadership. Hospitality provided to student athletes and recruits must be in accordance with the rules, regulations, guidelines, standards and procedures of the National Collegiate Athletic Association.

4. Awards and Prizes

CSU universities may establish an award program to the extent that such expenses serve a purpose consistent with the mission and fiduciary responsibilities of the CSU and aligns with IRS regulations. Examples of a bona fide business purpose include awards and prizes: to employees for exceptional contributions or for length of service (with at least five years of service); to students for excellence; and to individuals for participation in research-funded surveys or study.

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 tax rules in the Guidelines section at the end of this policy. The university's written procedures shall document the award program, including eligible awards and per person limits.

D. UNALLOWED EXPENSES

1. Personal Benefit

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. Examples include, but are not limited to, employee birthdays, weddings, anniversaries, and baby showers. 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.

E. ALLOWABLE FUNDING SOURCES

1. State Funds

Unless specifically authorized in the local trust agreement (LTA), state funds have the following restrictions and uses:

- State funds may not be used to pay for:
 - Any expenditure prohibited by applicable laws, regulations, or agreements, including the California Budget Act;
 - Food and beverages or entertainment services that do not serve a business purpose;
 - Alcoholic beverages, memberships in social organizations, or tobacco products.
- State funds may be used to pay for:
 - Awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in research funded surveys or study;
 - Employee recognition, and official presentations for length of service awards or exceptional contributions, with at least 5 years of service;
 - Official employee morale-building and appreciation activities that serve a business purpose. University procedures should define official activities and approval levels.

2. Auxiliary Organization Funds

Hospitality expenses may be charged to auxiliaries provided the expense serves a bona fide business purpose. Auxiliary funds are subject to the same requirements as noted above, however they may allow for

the purchase of alcoholic beverages, entertainment services, gifts, membership in social organizations, and promotional items to the extent these purchases are not restricted by other applicable laws, regulations, or funding source agreements.

3. Sponsored Programs Administration Funds

Federal or local government contracts 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 the agency and CSU policy, the stricter of the two policies shall apply. Federal funds may not be used to purchase alcoholic beverages or tobacco products, unless alcohol and tobacco are part of the research and are expressly authorized by the contract or grant.

4. Private-Purpose Trust and Agency Funds

Hospitality expenses may be charged provided the expense serves a bona fide business purpose and to the extent other applicable laws, regulations, or funding source agreements do not restrict these purchases.

F. ROLES AND RESPONSIBILITIES

1. Approval Process Requirements

Each campus and auxiliary must develop and document appropriate approval processes including:

- Requirements that individuals with delegated approval authority may not approve their own expenses nor approve expenses of their supervisor. Exceptions include: (1) approval of the chancellor's or president's expenditures by the chief financial officer and (2) larger-scale hospitality events with 10 or attendees events where the approving authority attended as an incidental participant and received no direct personal benefit, provided all other Delegation of Authority requirements are met.
- Requirements that payment or reimbursement for attendance at a community relations activity or fundraising event include documentation of the individual names, affiliations, and direct or indirect benefit to the CSU to be derived from the expense;
- Requirements that payment or reimbursement of hospitality expenses for recreational, sporting, or entertainment events be approved by the chancellor, president, or their designee;
- Requirements that payment or reimbursement of hospitality expenses for a spouse, domestic partner, or significant other of an employee be approved by the chancellor, president, or their designee.

2. Roles and Responsibilities Matrix

Role	Responsibility
Official Host or Requestor A CSU trustee, auxiliary governing board member, or university or auxiliary employee who hosts guests at a meeting, conference, reception, activity, or event.	<ul style="list-style-type: none"> • Understand and comply with the contents of this policy and other relevant policies (refer to section III. Guidelines for other relevant policies). • Ensure expenses are necessary, justified, and documented. • Complete a hospitality justification form.
Approving Authority Requestor's supervisor who	<ul style="list-style-type: none"> • Review the request and approve if

has authority to approve requests and expenses.	<p>deemed appropriate.</p> <ul style="list-style-type: none"> • In the event the requestor is the Approving Authority, the hospitality request must be approved by the Approving Authority's direct supervisor. • For limited exceptions, reference F.1.
Financial or DOA Approver (Cost Object Approver in Concur) Individual with departmental financial and budget oversight.	<ul style="list-style-type: none"> • Review for compliance and approve expenses within monetary delegation limits as defined in the University Delegation of Authority Matrix. • Evaluate the importance of the event in terms of the costs, the benefits derived, the availability of funds, reasonableness of the expenses, and any alternatives that would be equally effective. • For limited exceptions, reference F.1.
University CFO or Designee	<ul style="list-style-type: none"> • Review requests exceeding per person spending limits or other exceptions to policy and approve if deemed appropriate. • Review chancellor or president's expenditures and approve if deemed appropriate.
Chancellor, President or their Designees	<ul style="list-style-type: none"> • Review hospitality expenses for recreational, sporting, or entertainment events and approve if deemed appropriate. • Review hospitality expenses for a spouse, domestic partner, or significant other of an employee and approve if deemed appropriate.
Accounts Payable / Procurement	<ul style="list-style-type: none"> • Verify compliance and ensure proper documentation is submitted.
Audit and Advisory Services	<ul style="list-style-type: none"> • Periodically review hospitality expenses for policy compliance.

G. HOSPITALITY JUSTIFICATION FORM

All hospitality expenses must have a completed hospitality justification form submitted along with supporting backup documentation such as a quote, invoice, and original receipt when requesting payment or reimbursement. Information required on the justification form for each type of hospitality include:

- The type of event/purpose (business meeting, department meeting, host of official guest, employee recognition, reception, gift card, fundraising, or community outreach, etc.).
- If the meeting is reoccurring, if applicable.
- The business purpose of the hospitality. The business purpose must be specific and provide enough information to a third-party reviewer to understand the nature and purpose of the hospitality.
- Type of hospitality (meals/refreshments, service recognition, gift card, etc.)
- Location and date - for off-campus venues, include justification for venue selection and consideration of on-campus alternatives
- List of attendees/recipients and their business relationship to the campus.
- The cost of the meal per attendee, if applicable.
- For a large group where the names of attendees are unknown, a description of the group and estimated cost of the meal per attendee is sufficient.

H. MAXIMUM PER-PERSON MEAL RATE

Unless otherwise approved by the university CFO or designee, the following maximum rates apply per attendee (inclusive of food, beverage, tax, gratuity, service charges, and delivery fees):

Breakfast	\$40
Lunch	\$60
Dinner	\$90
Light Refreshment	\$40
Alcohol (auxiliary organizations only)	\$30

I. DEFINITIONS

For this policy, the following definitions apply:

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.

De Minimis: Small in value, relative to the value of total compensation. The IRS has ruled that items with a value exceeding \$100 could not be considered de minimis, even under unusual circumstances.

Hospitality: Defined to include the following elements:

- Entertainment services - Reasonable expenses as part of a public purpose event include, but are not limited to, equipment and venue rental, decor, music, and performers.
- Food and beverage - Reasonable provision of a meal (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies).
- Awards and prizes- something of value given or bestowed upon an individual, group, or entity in recognition of service to the university or achievement benefiting the university, or with the expectation of benefit accruing to the university, or for other occasions that serve a bona fide business purpose.
- Promotional items - items that display the name, logo, or other icon identifying the university such as a keychain, coffee mug, calendar, or clothing.

Membership in Social Organizations: University clubs, athletic clubs, civic organizations and other membership organizations that provide a venue for hosting hospitality events or a means for promoting goodwill in the community. Memberships in business leagues, chambers of commerce, trade associations, and professional organizations are considered a regular business expense and are not governed by this policy.

Official Guest: A person invited by an official host to attend a CSU meeting, conference, reception, activity or event. Examples of official guests include employees visiting from another work location, students, donors, recruitment candidates, volunteers, members of the community, or media representatives.

Public Purpose: Business purpose includes expenses that serve a purpose consistent with the mission and fiduciary responsibilities of the CSU.

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

State Funds: All monies in campus accounts (e.g., tuition and fees).

Sponsored Program Administration Funds: Money from federal, state, or local governments, or from private contracts.

Student Organizations: As defined in the [Student Activities](#) policy, section titled "[Formal Chartering and Recognition Policies](#)."

Work Location: The place where the majority 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.

III. References

- Refer to the [CSU Travel and Business Expense Reimbursement Policy](#) for travel related reimbursements and payments.
- Refer to [Labor Agreements](#) for meal allowance for represented employees required to remain on premises during meal periods or working overtime.
- [IRS Publication 5137](#), Fringe Benefits Guide
- General instructions for Certain Information [Returns \(1099\)](#)
- [Government Code § 8314](#)
- [California Constitution, Article 16 Public Finance § 6](#)

IV. Authority

This policy is issued pursuant to [Section II of the Standing Orders of the Board of Trustees of the California State University](#), and as further delegated by the [Standing Delegations of Administrative Authority](#). The president may delegate authority and responsibility described in this policy to other campus officials pursuant to [Section VI of the Standing Orders of the Board of Trustees of the California State University](#).

Authority for this policy is pursuant to the California Education Code § 89044. California Education Code § 66600, 89030, and 89035.

All Revision Dates

3/18/2026, 6/27/2023, 9/8/2020, 9/14/2018

Approval Signatures

Step Description	Approver	Date
EVC	Patrick Lenz: Int Exec VC of B&F and CFO	3/18/2026
Area Manager	Scott Pak: Director, CSU Policy Library	3/10/2026
Owner	Jeni Kitchell: Asst VC F&B Admin/ Controller	3/9/2026

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