

SB 2015-2016:12

The policies of the Associated Students Incorporated are in compliance with the regulations of California State Polytechnic University, Pomona, the CSU Chancellor and the CSU Board of Trustees as well as all applicable state and federal laws.

Policy Category:

Accounting / Administration

Subject:

Public Relations and Hospitality Policy

Objective:

The purpose of this policy is to establish guidelines for the review, approval and documentation of public relations and hospitality transactions to ensure that these are within the educational mission of the University and Associated Students Incorporated (ASI).

Legal Basis:

As provided in Compilation of Policies and Procedures for CSU Auxiliary Organizations, Section 9.2, *Policy on Expenditures of Funds for CSU Auxiliary Organizations*, ASI may expend funds subject to the following conditions:

1. Expenditures must fall within the educational mission of the CSU as defined by respective statutes, Board of Trustees policy and campus policy
2. Expenditures must not be made which are specifically prohibited for auxiliary organizations either by statute, Board of Trustees policy or campus policy
3. Expenditures must be made in conformity with State control procedures defined as “regulations established by CSU trustees” pursuant to Education Code 89900 and “policies and conditions as the Board of Trustees and the campus may from time to time establish” pursuant to Title 5, Section 42400

ICSUAM Policy 1301, Hospitality, Payment, or Reimbursement of Expenses, states that 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. The policy applies to activities that promote the CSU to the public and the provision of hospitality in connection with official CSU business and specifies the university and auxiliary funds that may be used for such purposes.

Policy Statement:

The mission of ASI is to “Foster student advocacy, representation, engagement and academic success; Establish opportunities for learning, leadership and development for students and its staff; Create an environment that promotes collaborative partnerships, cultural diversity and campus pride; Provide high quality facilities, programs and services to students, administrators, faculty, staff, alumni and the off-campus community.” As an auxiliary organization of Cal Poly Pomona, the purpose of ASI is to support the educational mission of the University.

Implementing Procedures:

General Use and Limitations

Policy and procedures applies to all ASI and Bronco Student Center (BSC) funded transactions, including the Bronco Recreation and Intramural Complex (BRIC). Instructionally Related Activities (IRA) funds which are administered by ASI per Agreement with the University, are subject to CSU policies and regulations.

Documentation of Expenditures

ASI shall maintain documentation of public relations and hospitality expenditures consistent with good business practice and in compliance with documentation standards required by law. These expenditures must be maintained in a manner consistent with the mission of the organization, as approved by the ASI Senate and the University President.

All public relations and hospitality expenditures shall be documented through disbursement requests (DRs) and reimbursement requests and shall be accompanied by original copies of receipts. Original copies of personal credit card receipts must be presented and copies shall be made for the file and noted accordingly. The completed DR or reimbursement request shall be submitted to ASI Financial Services along with the required approval.

Allowable Expenditures

Hospitality expenses must be directly related to or associated with the active conduct of official CSU business. When an employee acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear CSU or ASI 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 and in accordance with the best use of public funds.

Employee business meals must conform to IRS regulations. No employee business meal or entertainment expenditure that is considered taxable income under IRS regulations shall be reimbursed or paid. An employer's reimbursement of an employee business meal or entertainment expenditure may be considered taxable income if:

- The activity is not related to the employee's job
- The expense is lavish or extravagant under the circumstances, or
- The expense is not substantiated with supporting documentation

Employee Meetings

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 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 to a group should be counted on an event basis, e.g. A two-day meeting should be counted as one event in determining compliance with these guidelines



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 time-consuming or disruptive for participants to take a meal break away from the meeting location

In accordance with the ICSUAM Policy 1301.00, Hospitality Payment, or Reimbursement of Expenses, the maximum per-person rates for hospitality meals and light refreshments specific to on-campus and off-campus employee meetings and recognition events, are as follows:

Maximum Per-Person Rates for Hospitality Expenses

| Meal Type | Maximum Per-Person* Routine & Departmental Events** | Maximum Per-Person* VIP Entertaining*** |
|--------------------|---|--|
| Breakfast | \$20.00 | \$50.00 |
| Lunch | \$30.00 | \$75.00 |
| Dinner | \$60.00 | \$120.00 |
| Light Refreshments | \$15.00 | \$30.00 |

*Maximum Per-Person Rate: Applies to employee meetings and recognition events which serve a CSU or ASI business purpose and are generally administrative in nature. The maximum rates are inclusive of meals, sales tax, equipment fees, and service fees. When hospitality expenditures exceed the per-person maximum, a written justification must be provided.

**Routine & Departmental Events: Generally refers to small-scale events held within the departments.

***VIP Entertaining: Generally refers to large-scale events at the ASI or campus level.

Unallowable Expenditures

Personal Benefit:

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

Discrimination:

Hospitality expenses shall 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.





Approval of Transactions

The approval of hospitality transactions shall include a process wherein:

- Individuals with delegated approval authority may not approve their own expenses
- Individuals may not approve expenses of their supervisor
- 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 CSU to be derived from expense

The attached grid summarizes allowable and unallowable expenditures.

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|--|----------------|
| <u>FOR ASI USE ONLY:</u> | |
| ASI Senate Approval Date: | March 10, 2016 |
| Verified By: | |
|  | 3/11/16 |
| David Lee, ASI Attorney General | Date |
| Approved By: | |
|  | 3/11/16 |
| Julian Herrera, ASI President | Date |

Associated Students, Inc.
Topic: Grid of Allowable/Unallowable Expenditures

The Disbursement Request (DR) or Reimbursement Request must be completed for the following types of expenditures or Travel Request Form where applicable:

| | ASI | BSC (Including BRIC) |
|---|-------------|-----------------------------|
| 1. Employee Spouse Meals. | Unallowable | Unallowable |
| 2. Employee's local meals that are ASI business related , with visitors, guests, job candidates, students, advisory committees, search committees, volunteer/staff/student recognition or length of service awards, seminars, working/planning/staff meetings, open house, receptions, speakers, lectures, artists, performers, etc. (payments are usually due to restaurants, caterers, grocery stores or reimbursed to an individual.) | Allowable | Allowable |
| 3. Local or out-of-state meals for official ASI visitors, guests, job candidates, or students. | Allowable | Allowable |
| 4. Overnight accommodations for employees beyond 25 miles of home or office. | Allowable | Allowable |
| 5. Overnight accommodations for official visitors and job candidates beyond 25 miles of home or office. | Allowable | Allowable |
| 6. Spouse travel for job candidates. | Unallowable | Unallowable |
| 7. Expenditure for travel/hotel/meals beginning more than 24 hours in advance of start of the ASI business related activity. | Unallowable | Unallowable |
| 8. Business related activities among peers, (defined as not limited to students, auxiliary professionals or CSU officials). | Allowable | Allowable |

Associated Students, Inc.
Topic: Grid of Allowable/Unallowable Expenditures

| | ASI | BSC (Including BRIC) |
|---|--------------------|-----------------------------|
| 9. Business related activities at home for official guests. | Allowable | Allowable |
| 10. Department sponsored campus activities for official guests. | Allowable | Allowable |
| 11. Spouse's cost of campus hosting for official guests. | Unallowable | Unallowable |
| 12. Department or campus sponsored activities to enhance student and staff development. | Allowable | Allowable |
| 13. Alcoholic beverages. | Unallowable | Unallowable |
| 14. Non-meal expenses of employees at official functions where attendance is required. | Unallowable | Unallowable |
| 15. Non-meal and non-travel expenses of official visitors at official functions. | Unallowable | Unallowable |
| 16. Flowers in connection with illness, hospitalization or funerals | Unallowable | Allowable |
| 17. Gifts for birthdays, showers, weddings and similar occasions | Unallowable | Unallowable |
| 18. Plaques, certificates, events, etc. for achievement and recognition for students and staff. | Allowable | Allowable |
| 19. Membership of employees to professional organizations. | Allowable | Allowable |
| 20. Decorative supplies for ASI events. | Allowable | Allowable |