



SACRAMENTO
STATE

Hospitality 101

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Redefine the Possible™

Housekeeping



Stay on mute



**Q&A times built
into agenda**



Use chat feature



**Raise hand, wait to
be called on before
un-muting**



**Be positive and
happy learning!**



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Agenda

- What is Hospitality
- What has Changed / New
- Business Purpose & Benefit
- Allowable vs. Unallowable
- Approval of Transactions
- Exceptions to Policy
- Account Codes
- Small vs Large Groups
- Gift Cards
- Awards and Prizes
- Payment Types

Administration and Business Affairs (ABA) at Sacramento State is one of the University's chief support divisions, providing integrated and comprehensive administrative, business, financial, operational, and logistical support services to students, faculty, and staff



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What is Hospitality

- **Entertainment services** – Reasonable expenses as part of a public purpose event includes, but is not limited to, equipment and venue rental, décor, 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.

What's Changed / New?

- Chancellor's Office Revisions
 - Scope
 - Auxiliary Organization Funds
 - Hospitality Justification Form
- Procedures Not Previously Enforced
 - Employee Meetings
 - Hospitality Types
 - Approval of Transactions
- What's New to Campus Procedures
 - Definitions
 - Maximum Per-Person Rates
 - Awards and Prizes
 - Matrix for Approvers
 - Hospitality Expenses During Travel
 - Appendix A & B

Business Purpose & Benefit

- Business Purpose
 - A business purpose should adequately describe the expense as necessary, reasonable and appropriate for the university.
- Benefit
 - A person with Delegation of Authority and a recipient of the hospitality expense may not approve

- Examples

- Good Business Purpose

Business Purpose of Hospitality Expense (Why was the expense necessary?):

Annual department team-building lunch put on to strengthen bonds, form connections, celebrate accomplishments, and recognize the hard work of department employees.

- Lacks Information and Business Purpose to the university

Business Purpose of Hospitality Expense (Why was the expense necessary?):

Department Lunch

These should be clearly written so that a third party reviewer may understand without follow-up questions or explanations.

Allowable vs. Unallowable Expenses

Allowable

- Employee Business Meetings
 - Must provide a thorough explanation
- Faculty/Staff Recruitment
 - Must provide an interview agenda
- Promotional Items
 - Sac State logos on items
- Student Programs

Unallowable

- Alcohol
 - Only allowable using Special Funds or Auxiliary Organization Funds
- Employee Social Events – Personal Benefit
 - Birthdays
 - Weddings
 - Anniversaries
 - Baby Showers

See Appendix A and B

Approval of Transactions

Division	Approval <i>Did not attend the event and a manager or above of the official host</i>	Exception Approval by Vice President / Provost
Academic Affairs	Department Chair/ Dean	Provost
Administration Business Affairs	Manager/ Director/ AVP	Vice President
Athletics	Head Coach/ Director	President or Delegate
Center of California Studies	Director	Provost
College of Continuing Education	Manager/ Director/ Dean	Provost
Housing	Manager/ Director	Vice President
Inclusive Excellence	Director	President
Information Resources & Technology	Manager/ Director	Vice President
President's Office	Chief Financial Officer/ Vice President	Chief Financial Officer/ Vice President
Student Affairs	Director	Vice President
University Advancement	Vice President	Vice President
All other Division	Manager/ Director/ AVP	Vice President/ President



Exception to Policy

- Direct Payment & Reimbursement Requests
 - Did not follow Procurement Policy when Purchasing
 - DOA approval depending on amount
 - Procurement Approval
 - Justification for future resolution
- Hospitality
 - Extra level of approval
 - Vice President / Provost, President's Delegate
 - Per Person Meal Limit Exceeded
 - Preapproval of Alcohol at an Employee Only event
 - Recreational, Sporting, or Entertainment Events
 - Spouse, Domestic Partner or Significant Other Attendance

Account Codes – Allowed vs Other

- Recommended Account Codes

Account

Choose from List	▼
660017 Promotional E	▲
660042 Employee Rec	
660090 Expenses-Oth	
660801 Fundraising	
660819 Catering Costs	
660820 Food/Beverag	
660829 Preseason	
660832 Special Events	
Other - Explain in Note	▼

- If an account code is not listed, note the one being used in the notes section below
- 660003 will not be allowed

Notes:

Small vs Large Groups

- Small Group – Up to 25 people
 - Name and Relationship to campus required
 - Formatted Table on Page 2
 - Attach an Agenda or Event Flyer
- Large group – Over 25 people
 - Add description of group
 - Estimate cost per person in the same box or in the notes section
 - Attach an Agenda or Event Flyer

	Recipient Name	Recipient Business Relationship to Campus
1.	Person 1	Staff/Faculty
2.	Person 2	Donor
3.	Person 3	Interview Candidate
4.	Person 4	Student
5.	Person 5	Community Member

Please provide a description of the group if over 25 people and estimated cost of the meal per attendee in the box below.

25 Students
5 Faculty
30 Community Members
1 Donor

GIFT CARDS

- Must have pre-approval from Procurement & Contract Services prior to making a purchase. May have your ProCard cancelled or will not be reimbursed.
- Gift cards and gift certificates, no matter how small, are always taxable to the employee as wages and must be reported to Accounts Payable on a Distribution Log.
- Gift cards or other cash equivalents given to non-employees as awards or prizes may be subject to IRS Form 1099 income reporting if \$600 or over for the calendar year.
- An Awards/Prizes & Gift Card Distribution Log must be completed at the time of distribution, and individual tax information collected on a Vendor Data Record (204 form) from non-employees if the \$600 individual threshold is expected to be reached for reporting purposes.
- Gift cards should only be purchased for immediate use, using a ProCard, and the Awards/Prizes & Gift Card Distribution Log must be submitted with the monthly ProCard reconciliation.

Awards and Prizes

Awards & Prizes for Employees:

- Recognition for length of service (at least 5 years of service)
- Awards and prizes may be given if part of a documented program
- Property Gifts (non-cash equivalent) no matter how small, may have a taxable consequence to the employee if it does not meet the IRS definition of de minimis and infrequent.
- **It is the responsibility of the department to submit a distribution log to Accounts Payable if it does not meet the IRS definition of de minimis (up to \$100) and infrequent**

Awards & Prizes for Students:

- A student can be recognized for exceptional contributions and appreciation if part of a documented program.
- Property Gifts (non-cash equivalent) to students may impose restrictions on receipt of financial aid package and/or may have tax implications.
- Student must complete a 204 form
- **It is the responsibility of the department to submit a distribution log to Accounts Payable if it does not meet the IRS definition of de minimis (up to \$100) and infrequent**



Payment Types

Accounts Payable

- Direct Payment Request
- Reimbursement Request
- Invoice Approvals
 - All Payments through Accounts Payable must have a completed Justification form with a signature(s) present
 - Requests will be cancelled if the form is incomplete

Procurement

- ProCard Statements
- Payments In Advance
 - Hospitality Justification form required in the requisition

Bursar's

- Petty Cash
 - Forms must be physically turned into Bursar's Office Lassen 1001



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Questions?

- For Accounts Payable email aba-fins-ap-travel@csus.edu
- For Procard email Procard@csus.edu
- For Travel email Travel@csus.edu

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