

Hospitality FAQ

1. Can I give awards to employees or students? Employees and students can be recognized for superior accomplishments or exceptional contributions. Life transition events like birthdays, weddings, and the like, occur to everyone, therefore, they are not considered superior accomplishments. Awards are permitted within the campus defined monetary limits and subject to IRS reporting requirements. Awards may be given to recognize years of service at the time of retirement, but the statutory authority to make awards does not authorize paying for a “retirement party”.

2. Can I send gifts or flowers with state funds? Typically, no. Gifts or flowers are not permissible when there is primarily a personal benefit. If there is a valid university business purpose, justification must be well documented and approved by the Approving Authority.

3. I would like to meet with my colleague over lunch to discuss a business topic, can I be reimbursed? Typically, no. Reimbursement for meals are not permissible when there is solely a personal benefit. If there is a valid university business reason the meeting had to be conducted over lunch, the reason must be well documented and approved by the Approving Authority using the hospitality form. If the meeting can be scheduled at another time during the day, the meal is not a university expense, it’s a personal expense and thus not allowable.

4. Can I provide lunch for an all-day meeting? When a meeting takes place over an extended period and the agenda includes a working meal, there may be justification that the meal is integral to the business function. Considerations include:

- 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 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.

Examples where food and beverage may be permitted include:

- A meeting where there is a scheduled speaker during the meal period;
- A meeting where the participants work through the meal period; or
- Circumstances where it would be too time-consuming or disruptive for participants to take a meal break away from the meeting location.

5. Can I use state funds to have a retirement party? No, retirement parties are not allowed. An employee can be recognized for years of service to the university after a minimum of 5 years of service.

Is the \$750 limit for an employee farewell reception per funding source, or in total? No more than \$750 of any university money can be spend on an employee farewell reception, funding source(s) is irrelevant. The \$750 limit applies to both on campus and off campus events.

6. What activities are permissible?

- Awards to students to participate in a non-sponsored program funded survey. (Subject to IRS tax laws)

- Incentives to anyone, including employees, to participate in a sponsored program funded survey or study, within the terms of the award agreement and the project serves an instructional purpose. (Subject to IRS tax laws)
- Awards and recognition to students
- Decorations purchased as part of a ceremony at a public event.
- Expense related to fundraising in support of providing a better student experience.
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6(a). Can I give a Wolfbucks gift card as an incentive for participation of a campus survey or campus event?

- Typically, yes. If the Wolfbucks value is de minimis (\$75 or less and infrequent) the expense is allowable. When completing the Hospitality Form, categorize the expense under “other” with description Wolfbuck purchased as an incentive for participating in campus survey or campus event (provide event or survey name).

7. What activities are NOT permissible?

- Gift card, gift basket, flowers or other non-cash gift as a thank you to consultants, guest speakers, or employees at another campus
- Gifts for employee birthdays, weddings, anniversaries, baby showers, etc.
- Retirement parties.
- Bereavement or sympathy gifts to employees.

8. How is “infrequent” defined? Infrequent is defined by the IRS as no more than 12 times per year per group.

9. How do you define reasonable and appropriate? To be considered reasonable and appropriate, hospitality must be sensible and moderate, not extravagant to the occasion.

10. Some departments provide logo apparel to their employees and require them to wear the shirts during business hours. (Examples include orientation, campus tours, and athletic teams). Is this a gift? No, if it supports a university business purpose, it is not considered a gift.

11. The college has a standard (monthly) lunch meeting with outside industry advisors to discuss course development and research collaboration of their college. Can state fund be use for this type of event? Meals or light refreshments may be permitted if the expenses occur infrequently, is reasonable and appropriate to the business purpose in accordance with campus policy.

12. Can the operating fund be used to pay for corkage and bar service? Yes, but not for the alcohol itself. See the Alcoholic Beverages policy for more details.

14. Are purchases of equipment and apparel for athletics considered hospitality? No, these are considered a regular business expense, similar to office supplies, not hospitality.

15. What’s the definition of an exceptional contribution? A contribution that, on a sustained basis, substantially exceeds that normally expected in an individual or team role.

16. Which campus fund are in the Funding Source categories in Table 1 of the policy?

- Operating Fund – GM1##, SO####, RN####, RT####, and for the purposes of this policy QZ####
- Self-Support Student Fee Funds – RC####, RD####, RM####, RO####, RQ####, RU####, RV####
- Private Support – C0####, GM2/3##, NT####, Q#### (other than QZ####), RY####

17. Can graduation stoles be given to students? Student awards and prizes can be given to students but only private support funds can be used for payment.

18. What if an itemized receipt contains the word “beverages”?

- a. The employee must notate whether or “beverages” include alcohol, and then pay the alcohol from the appropriate funding source.

19. What do I need to submit with the hospitality form?

- Supporting Documentation and Original Receipts
- Original itemized receipts must be attached showing method of payment.
- Invoice with method of payment
- Relevant documentation such as an agenda, meeting notice, flyer, sign-in sheets, etc.

20. Are meals provided to recruitment candidate’s subject to hospitality? Meals paid directly by the university are considered hospitality and subject to the policy, travel expense are not.

21. What is the maximum reimbursable rate of tips, gratuities or service charges?

- a. The maximum rate is inclusive of tax and set at 20%
- b. Employee only meal maximums are inclusive and are set within section 502

22. What are the approval and documentation requirements for the various types of hospitality expenses?

	Approval Requirements	Hospitality Form Required ¹	List of Participants or Equivalent ²	Agenda
Employee Meetings	Approving Authority	Yes	Yes	Yes
All Other Meetings & Events	Approving Authority	Yes	Yes	No
Awards & Prizes	Approving Authority	Yes	Yes	No
Recreational, Sporting, or Entertainment	Approving Authority and VP or Higher	Yes ³	Yes ⁴	No

¹ Hospitality Form not required if the elements, provisions, and approval requirements are within the SSE Catering contract.

² Examples include campus-wide notices, mass emails, flyers, or sufficient written justification to adequately document the hospitality expenditure meets the requirements of the policy.

³ Events showcasing the talent of SSU students do not require a hospitality form (i.e., sporting events, student recitals, student plays, etc.)

⁴ University related events, such as SSU sporting events or performances, student recreation center activities/events for students, or other entertainment events held for students by AS, Housing or Residential Life, do not require VP or higher signature or list of participants.

Student Programs and Activities ⁵	Approving Authority	Yes	No	No
Chartered Student Clubs	Approving Authority and CSLIS ⁶	No ⁷	No	No
Sponsored Programs	Approving Authority	Yes	Yes	No

⁵ Examples include: instructional programs or courses, programs operated through Residential Life, intramural sports, and other student activities where fees are paid by student participants and goods/services (i.e. food, shirts, trophies, tickets, etc.) are provided to the students as part of the program.

⁶ Center for Student Leadership, Involvement and Service

⁷ Hospitality Form is not required when club funds are used. A CSLIS official certifies hospitality compliance on the "Club Account Expenditure Voucher". If university funds are used, the Hospitality Form is required.