

# Hospitality

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## Purpose

There are occasions when the prudent extension of hospitality in connection with official business is in the best interest of the Associated Students, Incorporated. This policy outlines ASI policy and procedures governing the manner and extent to which the ASI may extend hospitality and provides maximum per person rates authorized for meals and refreshments.

## Policy Statement

It is the policy of the Associated Students, Incorporated that expenses for hospitality must be directly related to, or associated with, the active conduct of official ASI business. When an ASI representative acts as an official host, the occasion must, in the best judgment of the approving authority, serve a clear business-related purpose, with no personal benefit derived by the official host or other ASI employees. In addition, the expenditure of funds for entertainment should be cost effective and in accordance with the best use of public funds. This policy applies to all hospitality expenses incurred by ASI regardless of the source of funding.

The procedures set forth in this policy are intended to conform to the Internal Revenue Service regulations related to hospitality expenses. Accordingly, any payment made to an employee in connection with hospitality may not result in taxable income to the employee.

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.

## Who Should Know This Policy

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input checked="" type="checkbox"/> Elected/Appointed Officers | <input type="checkbox"/> Grant Recipients |
| <input checked="" type="checkbox"/> Management Personnel       | <input type="checkbox"/> Program Advisors                      | <input type="checkbox"/> Staff            |
| <input checked="" type="checkbox"/> Supervisors                | <input type="checkbox"/> Volunteers                            |   |

## Definitions

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Approving Authority	The person to whom authority has been delegated in writing to approve hospitality expenses and to approve exceptions to the hospitality policy and the limitations outlined in this policy.
Exceptions	Hospitality expenses that exceed the per-person maximum rates specified in this policy and any other type of expenses that are not specifically included in this policy.
Light refreshments	Non-alcoholic beverages, snacks, hot or cold hors d'oeuvres, or similar foodstuffs that would not normally constitute a meal.
Meals	Food served in one or more courses and eaten in one sitting, usually at a customary time or occasion, i.e. breakfast, lunch, dinner
Meetings of an administrative nature	Meetings called for the purpose of discussing the development, execution, or management of ASI policies and/or programs
Professional associations or organizations	Groups of individuals officially organized around a common interest or affiliation with a particular profession, vocation, or industry

## Regulations

### 1.0 Allowable Expenses and Occasions

#### 1.1 Host to Official Guests

When ASI is host to official guests, including visitors from other universities, members of the community, University employees visiting from another work location, etc. meals or light refreshments may be purchased.

The hospitality expenses of the spouse (or equivalent) of a guest or of the official host may be reimbursed provided such hospitality serves a bona fide business purpose. Participation in official functions that require the attendance of a spouse may be considered a bona fide business purpose. Fundraising events, alumni gatherings, community, and recruiting events are examples of activities that may require the attendance of a spouse.

### 1.2 Meetings of Professional Associations or Organizations

When ASI is the host or sponsor of a meeting of a learned society or organization, meals, or light refreshments may be purchased.

### 1.3 Meetings of an Administrative Nature

When meetings of an administrative nature are held that are directly concerned with the welfare of ASI, meals or light refreshments may be purchased. Where meals are involved, they must be a necessary and integral part of the business meeting, not a matter of personal convenience.

The cost of meals for employees from the same work location may be reimbursed if a working lunch is included as part of a scheduled meeting. The meeting should take place over an extended period and the agenda should include a working meal to satisfy the requirement that the meal is part of a business function.

Reimbursement will not be allowed when two or more employees from the same work location choose to go to lunch together to continue their business as an incidental part of the meal, or when the meeting could have been scheduled during regular working hours.

### 1.4 Student-Oriented Meetings

When meetings involving students are held, light refreshments may be purchased.

### 1.5 Prospective ASI Donors and Donor Cultivation

When ASI hosts an event for the purpose of generating the goodwill of prospective ASI donors, meals or light refreshments may be purchased.

### 1.6 Receptions

Light refreshments may be purchased for receptions held in connection with conferences, meetings of professional associations or organizations, fundraising events, employee recognition or length of service awards or retirement presentations, student events, etc.

## 2.0 Authorized Rates

Rates are recommended by the Associate Vice President for Financial Management and are authorized by the Vice President for Administration and Finance. Maximum rates allowed for hospitality include taxes and service. These rates do not include the rental of meeting or conference facilities, which may be charged as an additional expense. The maximum rates will be reviewed periodically by the Office of the Associate Vice President-Financial Management and adjusted as appropriate.

The maximum per person expenditures for individuals being entertained and for an ASI employee who is the official host or who is a participant at the request of the official host, shall not exceed the following amounts:

Breakfast	\$15.00
Lunch	\$25.00

Dinner \$40.00

Light Refreshment \$10.00

The reimbursement for a buffet reception cannot exceed the applicable meal allowance associated with the type of buffet, i.e., breakfast, lunch, or dinner.

### 3.0 Approval of Transactions

For each transaction, a Hospitality Attendance Report must be completed by the official host, indicating the occasion at which hospitality was extended and the names of those in attendance. Approval for all ASI hospitality expenses must be obtained at the appropriate level. In order to ensure that the approval of hospitality is entirely independent, individuals with approval authority shall not approve the expenses of a person to whom they directly report. In addition, individuals with delegated approval authority shall not approve their own expenses.

Signature Authorization Cards must be on file for each individual to whom approval authority for hospitality payments has been delegated.

### 4.0 Exceptions to Policy

Approval of exceptions to this policy must be obtained from the Executive Director. The request for reimbursement of such expenses must include a written justification as to why the higher costs were unavoidable and necessary to achieve an ASI business purpose.

The fact that actual costs exceed the authorized rates is not in itself adequate justification for a higher reimbursement rate. If adequate justification exists and provided such costs are deemed ordinary and necessary under the circumstances, an exceptional expense may be approved. In any case, reimbursements of hospitality expenses shall be limited to the actual costs incurred.

### 5.0 Tax Considerations

Under Internal Revenue Service regulations, an entertainment (hospitality) expense will be considered taxable income to an employee if the entertainment (hospitality) activity is not directly related to the employee's job, the expense is lavish or extravagant under the circumstances, the official host (or another employee) is not present when the activity takes place, or if the expense is not substantiated with supporting documentation, as provided in this policy.

In addition, business meals with faculty, staff, or other colleagues that are frequent (i.e., that occur on a regular or routine basis) and reciprocal are considered taxable income. Such expenses are not allowable under this policy.

## Forms

The following forms are to be used in the execution of this policy.

Form Name	Purpose	Responsible Office	Approved By	Timeline for Submission
Hospitality Attendance Report	To indicate the names, titles, and group affiliations of persons to whom hospitality was extended	A.S. Business Office	Official host of the event	Submit with Request for Payment or Purchase or Revolving Fund Expense Report along with receipts and/or invoices documenting the amount spent
Request for Payment or Purchase (RPP)	To request a check or purchase order	A.S. Business Office	Authorized budget area signatory	At least four (4) business days before desired date of disbursement
Revolving Fund Expense Report	To request cash reimbursement for the purchase of goods or services totaling less than \$50 plus tax	A.S. Business Office	Authorized budget area signatory	Between 9 a.m. and 4 p.m., Monday through Friday (except holidays). Only one filing per person per day
Signature Authorization Card	To identify and provide specimen signatures of those persons authorized to make transactions on an ASI budgetary account	A.S. Business Office	Authorized budget area signatory and A.S. Business Office	At or near the beginning of the fiscal year (July 1) and revise anytime signature authority changes