



ASSOCIATED STUDENTS OF CAL STATE LA, INC.

Financial Policies

POLICY# - Hospitality Policy

1. POLICY:

This policy outlines the types of hospitality expenses that may be paid by Associated Students of Cal State LA, Incorporated (ASI). These expenses must be necessary, appropriate to the occasion, reasonable in cost, aligned with ASI's mission and fiduciary responsibilities, and must be in compliance with State laws and CSU policies.

Hospitality Expenses 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 ASI employees.

Each campus and its auxiliary organizations (auxiliaries) are required to develop written procedures, consistent with CSU Hospitality Policy, [ICSUAM 01301.00](#) (or more restrictive, if preferred), regarding the payment of ordinary and necessary hospitality expenses.

2. REFERENCES

[ASI Bylaws](#)

[ASI Financial Policies](#)

[Cal State LA Hospitality Policy](#)

[Cal State LA Delegation of Authority Policy](#)

[CSU Hospitality Policy](#)

[CSU EO 1059 - Campus Auxiliary Organizations](#)

California Education Code

California Code of Regulations Title 5, Section 42402

Cal. Admin. Code tit. 5, § 42401, 5 CA ADC § 42401

IRS Publication 5137, Fringe Benefits Guide

3. DEFINITIONS:

Hospitality includes entertainment services, food and beverage, awards, prizes, gifts, and promotional items:

- Entertainment services - Reasonable expenses as part of a public purpose event includes, but is 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 ASI or to the university or achievement benefiting ASI with

the expectation of benefit accruing to ASI or for other occasions that serve a bona fide business purpose.

- Promotional items - Items that display the name, logo or other icon identifying ASI such as a keychain, coffee mug, calendar, or clothing.
- Approving Authority - the person to whom authority has been delegated in writing to approve hospitality expenses and to approve exceptions outlined in this policy.
- Student Organizations: As defined in [Student Activities](#), section titled "[Formal Chartering and Recognition Policies](#)."

4. USE OF STUDENT BODY FEES

- 4.1 The principle underlying the expenditure of mandatory student body fees is that such expenditures shall be made in programs that reflect the broadest variety of student interests and that are open to all students who wish to participate. Student fee funds, obtained from mandatory fees may be expended for various programs as outlined in [CSU Auxiliary Organizations policy, Section X](#).
- 4.2 Auxiliary organization activities are essential to the educational program of a campus, including service functions, and are an integral part of the campus program and shall be so operated. The objectives of the auxiliary organizations are as follows ([5 CCR § 42401](#)):
- To provide for student self-government, and
 - To provide the fiscal means and the management procedures that allow the campus to carry on activities providing those instructional and service aids not normally furnished by the State budget, and
 - To provide effective operation and to eliminate the undue difficulty which would otherwise arise under the usual governmental budgetary, purchasing, and other fiscal controls, and
 - To provide fiscal procedures and management systems that allow effective coordination of the auxiliary activities with the campus in accordance with sound business practices.

5. AUTHORITY

- 5.1 Authority for this policy is pursuant to California Education Code § 89044. This policy is issued under delegation of authority from the chancellor to the executive vice chancellor and chief financial officer, and implementation and compliance with the policy is further delegated to the campus chief financial officer. California Education Code § 66600, 89030, and 89035. 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.
- 5.2 The Executive Director serves as the Approving Authority for the Associated Students, Inc. hospitality expenses in accordance with the Cal State LA Delegation of Authority Policy and the CSU Hospitality Policy.
- 5.3 All hospitality expenses must conform to IRS regulations.
- 5.4 This policy is applicable to all hospitality expenses incurred by ASI, regardless of the funding source.

6. HOSPITALITY EXPENSES

6.1. Allowable Expenses and Occasions

- 6.1.1. 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 occasion that promotes the mission of the CSU and the Auxiliary. The policy also addresses meals served to employees as part of a morale-building function and meals provided to prospective students and employees (CSU Hospitality Policy, [ICSUAM 01301.00](#)).
- 6.1.2. 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 and Auxiliary (CSU Hospitality Policy).
- 6.1.3. Hospitality expenses shall be cost-effective and in accordance with the best use of student body funds.
- 6.1.4. Hospitality provided to prospective students may be permitted when it serves an ASI or CSU business purpose, which may include recruitment efforts.
- 6.1.5. **Events with permissible hospitality expenses may include:**
 - Student events and activities to engage the Cal State LA community to enhance campus life.
 - Hosted or sponsored business meetings that directly correlate with the operations of ASI and student government.
 - ASI hosted or sponsored receptions held in connection with conferences, retreats, trainings, meetings of a learned society or professional organization, meetings of student organizations and groups, student events, and meetings of other ASI-related groups.
 - Community relations or fundraising events to promote ASI or Cal State LA that enhance partnerships, recognize distinguished service, or cultivate donors.
 - ASI hosted receptions for the benefit of employee morale, employee recognitions, official presentations for length of service awards, with at least 5 years of service or retirement presentations are examples of a bona fide business purpose.
 - 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.
- 6.1.6. **Employee Meetings** - Food and beverage provided to ASI employees may be permitted if the expenses occur infrequently, are reasonable, and when it serves a legitimate business purpose. Food and beverage at meetings that are carried out on a routine or frequent basis are not permitted under this policy. 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.
- 6.1.7. **Awards and Prizes** - Gift cards, cash cards, and other cash-equivalents shall only be allowed when they are used as prizes for a competitive event or awards for

individual achievement and winners must be documented with a Lucky Prize Form. Guidelines for the competition or award must also be submitted that outline how the winners/awardees were selected. Gift cards may not be used as incentives to attend a program (ASI Funding Policy-204).

6.2. Authorized Rates

- 6.2.1. 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.
- 6.2.2. The maximum per person for food and beverages, must not exceed the following amounts:
 - Breakfast: \$15.00
 - Lunch: \$20.00
 - Dinner: \$ 27.00
 - Light Refreshments: \$7.00 per person
- 6.2.3. Hospitality expenditures shall not exceed the amounts allocated in the approved annual budget. Any expenditure that exceeds the authorized line-item amount requires approval from the ASI Board of Directors.

6.3. Prohibited Expenses

- 6.3.1. Hospitality expenses that are of a personal nature and not related to official ASI business will not be paid or reimbursed.
- 6.3.2. Hospitality expenses will 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.
- 6.3.3. Student body fees may not be used to purchase alcohol, tobacco, marijuana, firearms, medications, or any controlled substances.
- 6.3.4. Business meals with faculty, staff, student leaders, or other colleagues that are frequent (that occur on a regular or routine basis).

6.4. Exceptions

- 6.4.1. Approval of exceptions to this policy must be obtained from the ASI Executive Director in writing before the event and must include a valid justification for why the expense is necessary to achieve an ASI business purpose.
- 6.4.2. Exceptions cannot be granted for the following:
 - Expenses that are lavish or extravagant under the circumstances;
 - Expenses that are not compliance with IRS regulations;
 - Expenses that constitute taxable income to the recipient

7. APPROVAL OF HOSPITALITY EXPENSES

- 7.1 The use of ASI funds for hospitality-related expenses shall be approved through a written justification that includes the following information:
 - The type of hospitality expenses (meals, merchandise, prizes, recognition, etc.)

- The purpose for the expense (meeting, student event, hosting guests, fundraising, community outreach, etc.)
- The date, time, and location of the meeting or activity
- If the event/purchase is recurring or not
- The number of guests in attendance and attendance list (if available);
- Cost of meal per person and total for event (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)

7.2 Additional procedures and/or forms outlining the required documentation and approval process shall be established in a separate Administrative Procedure and shared as an informational item with the ASI Board of Directors.

7.3 Individuals with delegated approval authority may not approve their own expenses and individuals may not approve expenses of their supervisor. The AVP/Dean of Students shall sign for the expenses of the ASI Executive Director.

Policy History:

Date Approved: TBD

Date Revised:

Next Date of Review: Spring 2028