

**California State University, Fresno**  
**Hospitality Policy**  
**Frequently Asked Questions**

**1. *What constitutes a gift of “public funds”?***

The California gift of public funds doctrine set forth in the California Constitution, Article XVI, § 6, prohibits the giving or lending of **public funds** to any person or entity, public or private.

“In determining whether an appropriation of state funds or property is to be considered a gift, the primary question is whether the funds are to be used for a “public” or “private” purpose. If they are for a “public purpose”, they are not a gift within the meaning of [§6 of article XVI]. If an expenditure serves a primary public purpose, it is not a gift even if it incidentally benefits an individual.

**2. *Can I give awards to CSU employees or students?***

An employee can be recognized for superior accomplishments, within specified campus guidelines. Events such as birthdays and weddings are not considered superior accomplishments. Awards are subject to IRS reporting requirements. Awards up to a maximum of \$200 may be given to recognize years of service for employees with at least five (5) years of service [Refer to section 6.5 of the Hospitality Policy B-24].

**3. *Can I send a gift of flowers with state funds?***

No, gifts of flowers are not permissible when there is solely a personal benefit. Floral arrangements, as part of décor, are permissible for an official campus hosted public purpose event.

**4. *I would like to meet with my colleague over lunch to discuss a business topic, can I be reimbursed?***

Typically a reimbursement for meals is not permissible when there is solely a personal benefit. In general, business meeting with individual colleagues is not permitted. There may be justification if the business purposes for such an expense complies with campus; CSU, IRS and Government Code restrictions then it could be allowed.

**5. *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:

- a. 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.
- b. Meals or light refreshments should be limited to no more than 12 times per year, per group.
- c. 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.

**6. *Can I use state funds to have a retirement party?***

No, unfortunately the CSU policy does not allow for state funds to be used for retirement parties.

**7. *For employee morale purposes, I would like to use state funds to provide a departmental welcome breakfast each time we bring in a new employee. Is this permitted?***

Typically no. Employee meetings that are carried out on a regular or frequent basis are not generally permitted under this policy. Additionally, public expenditures that are driven **solely by personal motives** are an impermissible use of state funds.

**8. *What activities may be permissible with state funds when it is determined that there is a business purpose for the expenditure?***

- a. Awards to students to participate in a non-research (grant) funded survey (Subject to IRS tax laws).
- b. Incentives to anyone, including employees, to participate in a research funded survey or study, within the terms of the grant and the grant serves an instructional purpose (Subject to IRS tax laws).
- c. Awards and recognition to students.
- d. Decorations purchased as part of a ceremony at a public event.
- e. Expense related to fundraising in support of the University's mission and strategic plan.

**9. *What activities would NOT be permissible without a business purpose?***

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

**10. *How is "infrequent" defined?***

Infrequent is defined by the IRS as no more than 12 times per year per group.

**11. *Some departments provide logo apparel to their employees and require them to wear the shirts during business hours. (Example, Orientation). Is this a gift?***

No this would not be considered a gift, if it supports a business purpose.

**12. *Can meals be served at meetings occurring mid-morning and/or mid-afternoon?***

No, unless it is an approved official campus-wide event, meals may only be served during generally accepted meal times. Depending on the purpose of the event, light refreshments may be allowable.

***13. Is there a maximum dollar amount for purchase of promotional materials?***

Yes, a single promotional item cannot exceed \$50.00 including all related charges such as tax, set-up, design, shipping etc.

***14. 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, are reasonable and appropriate to the business purpose.