





**FINANCIAL SERVICES**

**SUBJECT:** Foundation Expenditure Procedure

**DATE:** 2/18/2020  
**REVISION NO.:** 03  
**REVISED:** 1/31/2022

**Policy No.:** AP-131 Grid of Allowable/Unallowable Expenditures

**Footnotes:**

\* Agenda, attendees list, and justification form required.  
 FN 1) Allowable if the following conditions are met:  
 a) The meal is an essential part of the event (i.e. the meeting is longer than 4 hours and participants are required to work through the meal period). Additionally, for meetings with employees from different work locations the meal is an essential part of the event if a speaker is scheduled during the meal period.  
 b) Hospitality provided is infrequent in occurrence (12 times or less per calendar year per group or committee).  
 FN 2) Allowable during an event if hospitality is provided to all attendees during the presentation (must be included in the agenda) \* if meal is provided before or after the event to only a select few individuals from the original event (the Presentation, etc.), the meal is considered a separate event and the event must have a clear business purpose. A statement stating why the meal is an integral part of the event and how it benefits the university must be provided on the Hospitality Justification Form.  
 FN 3) Allowable only if it is a campus-wide event (i.e. CPPfest, Pizza with the President, etc.)  
 FN 4) Hospitality provided to the spouse, domestic partner or significant other of an employee may be permitted when it serves a University business purpose such as ceremonial functions, fundraising events, alumni gatherings and community events.  
 FN 5) Regalia: Only the rental cost associated with regalia are reimbursable; as the University considers the purchase of regalia to be a personal expense and cannot be reimbursed using state funds. The state considers the reimbursement of personal expenses to fall under the classification of gifts of state funds, which noted in ICSUAM 1301.00, is not an allowable expense for the University.  
 FN 6) **Promotional items:** Use of promotional items such as branded keychains, coffee mugs, calendar, or clothing as a participant incentive for an event is encouraged. As a rule, promotional items under \$15 may be purchased with State Funds and these items would not be taxable, as they are de minimis to the recipient. For conferences and large events, promotional items should be limited to a combined value of less than \$50 per attendee.  
**Non-employee awards and prizes (non-promotional items):** Reasonable awards and prizes made on behalf of the University to non-employees and outside organizations are allowed when the prize benefits the University, supports a University business purpose and fulfills the mission of the University. The maximum allowable value for any award or prize is \$50 per event. Additionally, any non-employee that accrues \$600 or more of payments or other income must be reported to the IRS.  
 FN 7) Benefits provided to employees are taxable as wages unless the benefit is excluded by the Internal Revenue Code Section 132 (26 U.S. Code Sec. 132); including de minimis fringe benefits. De minimis fringe benefits refer to any property or service whose value is so small as to make accounting for it unreasonable or administratively impractical. However, the Internal Revenue Service (IRS) has ruled in a previous case (ILM 200108042) that items with a value exceeding \$100 could not be considered de minimis, even under unusual circumstances. This includes tangible goods in excess of \$100 in value. Additionally, the IRS has stated in Publication 15-B that certain benefits can never qualify as de minimis fringe benefits, including cash and cash equivalents, and should be included as taxable income to the employee. Prizes and awards may also be considered taxable income to the recipient. Gift cards and gift certificates are considered cash or cash equivalent items and are never excludable as a de minimis fringe benefit from an employee's wages.

(1) Allowable unless restricted by Foundation Program Agreement  
 (2) Please use the Travel Request Form with appropriate approvals  
 (3) Restricted to purpose as designated by the President and or the Board of Directors.  
 (4) Decisions for authorization to approve alcoholic beverages will be made by the President or designee and based upon the request submitted.  
 Alcohol should not be allowed when only Cal Poly Pomona employees are in attendance. equivalents, and should be included as taxable income to the employee. Prizes and awards may also be considered taxable income to the recipient. Gift cards and gift certificates are considered cash or cash equivalent items and are never excludable as a de minimis fringe benefit from an employee's wages.  
 \*\* The Foundation administers various funds including Foundation programs & public relations funds. These funds may be used for expenditures classified as public relations. Public relations include those functions which are intended to create and promote favorable support with the public, employees, donors and university community. Accordingly this Public Relations Grid adopts the CSU Auxiliary Organizations Compliance Guide section 11.6.4 as well as the ICSUAM 1301.00 Hospitality, Payment, or Reimbursement of Expenses, section 501 Employee Meetings and Recognition Events and the University's maximum per-person rates for hospitality expense as reviewed annually by the University's Chief Financial Officer.

