

SUMMARY OF D11 CHANGES - Effective Date: August 1, 2015

- President's Directive No. 11 Policy
- Administrative Guidelines for Implementing President's Directive 11
- D11 Documentation and Approval Form

PRESIDENT'S DIRECTIVE NO. 11 POLICY	
<i>Section</i>	<i>Change</i>
Expenditure of University Funds	<ul style="list-style-type: none"> • Deleted Guest Travelⁱ from policy • Added Entertainment Services and Membership in Social Organizations
Authority	<ul style="list-style-type: none"> • Added reference to ICSUAM Section 1301.00
Implementation	<ul style="list-style-type: none"> • Updated link to Directive 11 Administrative Guidelines
Accountability	<ul style="list-style-type: none"> • Replaced "individual" with "employee" in second paragraph • Added language related to IRS Regulations • Added language that the President may make a limited exception to the Directive 11 policy (<i>Same as Administrative Guidelines</i>) • Added language that the Vice President/CFO may modify the implementation guidelines as needed (<i>Same as Administrative Guidelines</i>)

ADMINISTRATIVE GUIDELINES FOR IMPLEMENTING PRESIDENT'S DIRECTIVE 11	
<i>Section</i>	<i>Change</i>
Guidelines	<ul style="list-style-type: none"> • Deleted Guest Travelⁱ from policy • Added Entertainment Services and Memberships in Social Organizations
Authority	<ul style="list-style-type: none"> • Added reference to ICSUAM Section 1301.00
Definitions	<ul style="list-style-type: none"> • Updated definition for Event Attendance • Updated definition for Food and Beverage and added reference to Section V, Maximum Per-Person Rates for Hospitality Meals and Light Refreshments • Deleted definition for Guest Travelⁱ • Added definition for Membership in Social Organizations and Entertainment Services • Added the following language to Retirement/Separation definition as per ICSUAM 1301.00: <i>Memorial services, celebrations of retirement, and farewell gatherings for employees separating with at least 5 years of service are permissible</i> • Updated definition for Written Designee to reflect an increase in the amount that can be approved by a Division Head designee from \$500 to \$1,000.
Implementation	<ul style="list-style-type: none"> • Updated the following section: Regardless of the funding source, expenditures in excess of \$1,000 (<i>previously \$500</i>) require approval by the appropriate Division Head or their written designees (<i>previously limited to one designee</i>). Division Heads may establish an internal approval process for expenditures

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	<p>up to \$1,000 (previously \$500) or specific type of expenditures.</p> <ul style="list-style-type: none"> • Added additional language to coincide with ICSUAM 1301.00 regarding occasions when the provision of hospitality is permitted.
Fundraising	<p>Updated to add the following sentence to the end of the paragraph:</p> <p>“The Operating Fund (Fund 485) and Fund 948 (other than Fund 485) may not be used to pay for the participation of employees or official guests at university fundraising events”.</p>
Funding Source	<p>Updated Operating Fund restrictions to also include:</p> <ul style="list-style-type: none"> • The Operating Fund may not be used to pay for any expenditure prohibited by applicable laws, regulations, or agreements including the California Budget Act • The Operating Fund may not be used to pay for entertainment services and memberships in social organizations • The Operating Fund may not be used to pay for the participation of employees or official guests at university fundraising events. <p>Updated Fund 948 (other than Fund 485) restrictions to include:</p> <ul style="list-style-type: none"> • Fund 948 (other than Fund 485) may not be used to purchase tobacco products • Fund 948 (other than Fund 485) may not be used to pay for the participation of employees or official guests at university fundraising events. <p>Updated Auxiliary Organization Funds restrictions to include:</p> <ul style="list-style-type: none"> • Auxiliary Organization Funds may not be used to purchase tobacco products • Federal Funds may not be used to purchase alcoholic beverages. • Federal or local government contract and grant funds may only be used to pay hospitality expenses specifically authorized in the contract or grant, or by agency policy. In the event of a conflict between agency and CSU policy, the stricter of the two policies shall apply.
Funding Sources for Payment of Approved Hospitality Expenses (Table)	<ul style="list-style-type: none"> • Added Entertainment Services • Deleted Guest Travelⁱ • Changed “Food and Beverages” to “Meals and Light Refreshments” and added reference Section V, Maximum Per-Person Rates for Hospitality Meals and Light Refreshments • Added Memberships in Social Organizations

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	<ul style="list-style-type: none"> • Added Tobacco Products (<i>prohibited expense</i>) • Added footnote 3 to University Fundraising, Operating Fund (Fund 485) and Fund 948 (other than Fund 485), which states "may not be used to pay for the participation of employees or official guests at university fundraising events". 										
Maximum Per-Person Rates for Hospitality Meals and Light Refreshments	<p>This is a new section based on the requirements of ICSUAM 1301.00, Section 501, which states:</p> <p>Campus procedures should identify authorization and documentation requirements as well as a maximum per person rate for breakfast, lunch, dinner and light refreshments inclusive of the total cost of food, beverages, labor, sales tax, delivery fees or other service fees. The maximum rates should be reviewed annually by the Chief Financial Officer. High level authorized authorities at the Vice Chancellor/Vice President level or above may approve limited exceptions to the maximum per person rate with a documented explanation.</p> <p>The proposed rates below were derived based on a review of the rates established at other CSU campuses as well as a limited review of campus catering expenditures.</p> <p>Maximum Per-Person Rates for Hospitality Meals and Light Refreshments</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Description</th> <th style="width: 30%;">Maximum Per-Person</th> </tr> </thead> <tbody> <tr> <td>Breakfast</td> <td style="text-align: center;">\$30.00</td> </tr> <tr> <td>Lunch</td> <td style="text-align: center;">\$40.00</td> </tr> <tr> <td>Dinner</td> <td style="text-align: center;">\$75.00</td> </tr> <tr> <td>Light Refreshments</td> <td style="text-align: center;">\$30.00</td> </tr> </tbody> </table> <p>The maximum per-person rate calculation is created by dividing the total amount charged for food, beverage, tax, gratuity and service charges by the total number of actual attendees. If the food is being ordered, the estimated number of attendees should be used when choosing the appropriate menu items. The maximum rates shall be reviewed annually by the campus Chief Financial Officer.</p> <p>Meals or light refreshments should be limited to no more than twelve times per year, per</p>	Description	Maximum Per-Person	Breakfast	\$30.00	Lunch	\$40.00	Dinner	\$75.00	Light Refreshments	\$30.00
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	<p>group. Each Division is responsible for monitoring the frequency of meals or light refreshments.</p> <p>It is recognized that certain University events hosted by or through the Office of the President or University Advancement including galas, convocations, college sponsored fundraising events, advisory meetings, board meetings, forums, town halls, Presidential addresses, business meals and fundraising meals may exceed the maximum per-person rate upon approval by the President or Vice President of University Advancement with documented explanation. Outside of these events, Division Heads may approve limited exceptions to the maximum per-person rate with documented explanation. Under no circumstances shall an individual approve their own exception to the maximum per-person rate. Approval of such events may not be further delegated. President's expenditures will be approved by the Vice President for Administration and Finance/Chief Financial Officer (CFO).</p>
Accountability	<ul style="list-style-type: none"> • Added the following language to the first paragraph: The exception to the latter is approval of the President's expenditures by the Vice President for Administration and Finance/Chief Financial Officer (CFO) • Added the following language to the section: University employees are responsible for complying with Directive 11 and these guidelines and implementation procedures. Failure to comply may result in disciplinary action pursuant to the applicable collective bargaining agreement or, for non-represented employees, applicable administrative policies or procedures. <p>All employee business meals or entertainment expenses must conform to IRS regulations. No employee business meal or entertainment expenditure that is considered taxable income under IRS regulations will be reimbursed or paid. An employer's reimbursement of an employee business meal or entertainment expense may be considered taxable income to an employee if:</p> <ul style="list-style-type: none"> ○ The activity is not directly related to the employee's job ○ The expense is lavish or extravagant under the circumstances ○ The official host (or other designated employee) is not present when the activity

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	<ul style="list-style-type: none"> ○ takes place, or ○ The expense is not substantiated with supporting documentation <p>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.</p> <p>When appropriate and necessary, the President may make a limited exception to the Directive 11 policy. The purpose of the exception must be documented and signed by the President.</p>

DIRECTIVE 11 DOCUMENTATION AND APPROVAL FORM	
Section	Change
Description/Definitions	<ul style="list-style-type: none"> • Added section for "Entertainment Services" • Removed "Excluding Alcohol" from header • Added "Reference to Maximum Per-Person Rates for Hospitality Meals and Light Refreshments" to both events attended "Only by University Employees" and "By Official University Guests" • Deleted Guest Travelⁱ • Added to Fundraising the statement "may not be used to pay for the participation of employees or official guests at university fundraising events". • Deleted Tobacco Products
Approval of Division Head or Designee	<ul style="list-style-type: none"> • Updated to reflect an increase in the amount that can be approved by a Division Head designee from \$500 to \$1,000.

ⁱ Please refer to the campus Travel Policy for Non-Employees