

## Finance Policies and Procedures



**Policy Group:** **Finance**

**Policy No:**  
**1.00**

<b>Policy Subject</b>	<b>Entertainment, Hospitality &amp; Catering:</b>
<b>Purpose:</b>	<p>The extension of hospitality and entertainment by University staff in the furtherance of University objectives is regarded as a legitimate professional activity.</p> <p>As a publicly funded body, however, the University must ensure that public sector standards of accountability are maintained and that there is a measure of consistency in the way policy is implemented across the University.</p> <p>The guiding principles are that expenditure must be for University purposes, must be properly documented and must be available for scrutiny by both internal and external audit.</p> <p>This policy statement outlines those situations in which the provision of such hospitality is appropriate and the level of accountability which must apply to such activities.</p> <p>The types of expenditures envisaged are detailed under the heading "expenditure guidelines" in this policy.</p> <p>The policy aims to protect staff by providing a framework by which they can consider and assess expenditure of University funds that may be considered to have a personal benefit for themselves or some other person or where there is some discretion about the nature and quantum of the purchase being considered.</p> <p>It is incumbent on all managers to exercise good judgement in deciding on the appropriateness of expenditure. The nexus between entertainment, hospitality and catering expenditure and the business undertakings of the University must be clear.</p> <p>The policy should be read in conjunction with the Delegations Policy, the Purchasing Policy, the Corporate Credit Card Policy, and the Travel Policy.</p>
<b>Policy/ Principles:</b>	<p>Expenditure for the sole purpose of entertaining University staff is not permitted unless otherwise exempted in this policy.</p> <p>All invoices when entertainment is conducted at an external venue ( including on campus venues ) must be paid by the most senior official present.</p> <p>Hospitality expenses cannot be incurred against funds other than University Operating Funds unless specifically provided for under the terms governing</p>

*Source/Contact:*

*Process Owner/Publisher: Director, Office of Financial Services*

*Created: 1 August 2006 Modified: 18 November 2008*

*Status: Final*

## Finance Policies and Procedures



**Policy Group: Finance**

**Policy No:  
1.00**

expenditure of such other funds e.g. research grants

Entertainment of staff family and friends is not a legitimate use of University funds. However, occasions may arise where staff members' family and friends may be the recipient of University entertainment and hospitality where such family and friends have a business connection to the University. In such cases it is essential that great care is exercised. Staff should refer to the University Code of Conduct and conflict of interest policies for guidance.

### Approvals

Expenditure on entertainment, hospitality and catering must be approved by a supervisor with the appropriate financial delegation in accordance with this policy and wherever possible, such approval should be obtained in advance.

### Limits on Expenditure

It is recognised that the cost of entertainment, hospitality and catering varies appreciably depending upon the venue and nature of the function. There is nonetheless an obligation to ensure that expenditure is minimised.

Where the expenditure relates to official functions involving formal dining, an amount up to the amount showing in table 3 of meal allowance expense amounts as issued by the ATO annually may be used as a guide.

[http://law.ato.gov.au/atolaw/view.htm?dbwidetocone=06%3AATO%20Rulings%20and%20Determinations%20\(Including%20GST%20Bulletins\)%3ABy%20Type%3ADeterminations%20\(Including%20GST%20Bulletins\)%3ATaxation%3A2007%3A%2304930210000%23TD%202007%2F21%20-%20Income%20tax%26c%20what%20are%20the%20reasonable%20travel%20and%20meal%20allowance%20expense%20amount...%3B](http://law.ato.gov.au/atolaw/view.htm?dbwidetocone=06%3AATO%20Rulings%20and%20Determinations%20(Including%20GST%20Bulletins)%3ABy%20Type%3ADeterminations%20(Including%20GST%20Bulletins)%3ATaxation%3A2007%3A%2304930210000%23TD%202007%2F21%20-%20Income%20tax%26c%20what%20are%20the%20reasonable%20travel%20and%20meal%20allowance%20expense%20amount...%3B)

Approval for amounts in excess of this must be obtained from the staff member's supervisor. For this purpose, the supervisor will usually be the Dean, Head of Office or appropriate delegate as decided by the Dean or Head of Office.

Where the expenditure relates to functions celebrating staff achievements, reward and recognition and other social events an amount of \$30.00 per head (inc. GST) will apply. The frequency of such functions should be limited to a reasonable level and generally only one social event per year would be regarded as acceptable although other functions as described above may occur more frequently.

### Stocks of alcohol

Stocked alcohol cabinets for small-scale entertainment may be maintained on the basis that they are provided primarily for the purpose of offering hospitality to external visitors and guests of the University and as a general rule not to be used for functions exclusively involving University staff.

Staff members are not permitted to take home alcohol purchased from University funds.

Source/Contact:

Process Owner/Publisher: Director, Office of Financial Services

Created: 1 August 2006 Modified: 18 November 2008

Status: Final



**Policy Group: Finance**

**Policy No: 1.00**

Prior approval, using the appropriate forms, must be obtained before alcohol is served.

**Attendance of University Staff at Official Functions**

The number of staff attending official functions should be limited to those with a direct involvement in the business being conducted, i.e. only those who will be able to advance the University's business should be in attendance and generally, the number of staff attending should comprise a minor or balanced proportion to external representatives.

**Working Lunches**

Approval for working lunches will only be given where:

- a) the only available time for the meeting occurs during the normal lunch period, **and**
- b) where the circumstances do not reasonably allow staff to make their normal arrangements for lunch **and**
- c) where there are demonstrable cost advantages in holding meetings during the normal lunch period.

Advice should be sought in advance if there is any doubt about whether expenditure will be approved.

**Stocks of Refreshments**

Stocks of refreshments such as tea, coffee and biscuits may be purchased from university funds and held under the control of a staff member with the delegation to incur hospitality expenditure, for the purpose of entertaining visitors or for working meetings

**Special Celebratory Occasions**

There are occasions when it may be appropriate to provide hospitality at functions attended only by University staff where there are clear benefits in terms of training and/or staff morale such as:

- celebration of a notable achievement by a Division, Office or group of staff;
- a training program provided by one Division for other Division;
- recognised festivals, such as Christmas;
- research expos for departmental staff or HDR students.



**Policy Group: Finance**

**Policy No: 1.00**

**Tipping**

The University will not meet the cost of tipping unless it is dictated by national custom. (10% should be used as a guide)

Tipping for any service is not permitted in Australia.

**Substantiation Requirements**

It is expected that wherever possible, University credit cards will be used to pay for entertainment. However, in other cases:

a) Claims for payment or reimbursement are subject to the normal University requirements for substantiation and must be accompanied by original invoices and/or receipts and a valid Tax Invoice must be provided for all expenses exceeding \$50.00

b) Adequate declarations and documentation must be provided to enable claims to be approved. As a minimum requirement, the following items must be recorded and included in any application for reimbursement of expenditure on hospitality or entertainment-

- a) explanation of University purpose
- b) name of all persons attending and external organisations represented
- c) name of all University staff attending

Care should be taken to ensure that circumstances where the number of University attendees exceeds the number of external business related attendees are exceptional. In such cases, approval should be sought in advance from the staff member's relevant supervisor

**Fringe Benefits Tax**

Fringe Benefits Tax is payable on that portion of official hospitality expenditure attributable to staff of the University and their associates, and is charged back to the department responsible for the expenditure.

In short, the effect of FBT is to double the cost of entertainment and this must be taken into account in any decision to incur entertainment expenditure.

Full details of the impact of FBT may be obtained from the University FBT policy document.

## Finance Policies and Procedures



**Policy Group: Finance**

**Policy No:**  
**1.00**

### Expenditure Guidelines

Type of Expenditure	Guidelines Regarding Type of Expenditure
Tea, Coffee, Milk, Sugar	It is reasonable to provide basic supplies such as instant coffee, tea (or tea bags), milk and sugar <u>for all visitors</u> . The purchase of expensive supplies such as luxury or boutique tea or coffee should not be purchased using University funds.
Biscuits or Similar Snacks	<p>Biscuits of a reasonable quality and cost may be provided for meetings that involve external visitors. This would not include the luxury items at the high cost end of the market.</p> <p>Biscuits for general consumption of University staff should be purchased at the expense of the individuals or by way of a voluntary collection and not from University funds.</p>
Drinking Water	It is reasonable to provide water fountains on the proviso that they are available for all staff and visitors and not for limited individual usage. The purchase of bottled water would not generally be appropriate.
Common Area Appliances	<p>It is reasonable to provide basic items (e.g. microwave, standard toaster, kettle, tea pot, jugs, cutlery and crockery) on the proviso that they must be located in a designated common kitchen area and accessible to all staff.</p> <p>Luxury and top of the range items such as fine china and espresso machines are not an acceptable use of University funds.</p>
Flowers, Fruit Baskets, Gift Baskets, and Other Recognition Gifts (Funerals, Farewells, Birthdays, Engagements,	As a general guideline it is reasonable, where sent on behalf of the University and not individuals, to purchase a wreath or other floral arrangement for the funeral of a student or staff member or to contribute an equivalent amount to a nominated charity. Expenditure in relation to such purchases should be limited to \$100.00 and clearly denoted as coming from the University and not from individuals.

Source/Contact:

Process Owner/Publisher: Director, Office of Financial Services

Created: 1 August 2006 Modified: 18 November 2008

Status: Final

## Finance Policies and Procedures



**Policy Group: Finance**

**Policy No:**  
**1.00**

Marriages)	<p>In special circumstances it may prove reasonable for the University to send a similar gift of recognition in relation to the funeral of a person who has had a close and beneficial association with the University. Such gifts should be approved by the Dean or Head of Office and be of reasonable cost and be clearly denoted as coming from the University. (Where possible, gifts should bear the University insignia, especially where provided to visitors from overseas or purchased in Australia and given to overseas official University contacts.)</p> <p>Where individuals wish to personally recognise the passing of a student or staff member the cost should be met by the individual or by way of a voluntary collection and annotations should clearly identify the gift as coming from those who contributed to its purchase.</p>
Staff Farewells	<p>Gifts and function costs for departing staff should ordinarily be paid for from a voluntary collection from staff. It is reasonable to contribute to a morning or afternoon tea for staff with at least 5 years service. It is also reasonable to contribute to a luncheon for staff with at least 10 years service. Such contributions should be limited to a maximum of \$30 per head.</p>
Lunches/Dinners at External Venues	<p>It is reasonable to provide lunch or dinner at an appropriate venue and at an appropriate cost by way of hospitality for official visitors/guests on the proviso that prior approval has been granted by a person holding appropriate delegation and preferably by a delegate who will not be in attendance at the lunch/dinner.</p> <p>Care should be taken in planning to ensure that expenditure is reasonable in regard to the choice of venue (value/quality for money, but not extravagant), the amount of alcohol provided, no cocktails, no boutique wines or the like are permitted.</p> <p>The University has a duty of care to all staff and guests and in principle does not support the provision or consumption of alcohol where the University's business is being conducted especially where staff may be required to</p>

## Finance Policies and Procedures



**Policy Group: Finance**

**Policy No: 1.00**

Lunches/Dinners at Internal Venues

travel or home or resume duties following the consumption of alcohol.

Staff should refer to Responsible Service of Alcohol legislation and the University Code of Conduct for further guidance.

The bill should always be paid by the most senior officer in attendance.

If that is not possible subsequent approval to the payment (usually via credit card reconciliation) should not be made by senior officers who attend the lunch/dinner.

It is reasonable to provide lunch for participants and presenters involved in all day meetings, training sessions and seminars. Regardless of timing it is not considered reasonable to provide lunch for half day and other short meetings and in such circumstances staff should provide their own meal and make appropriate arrangements for the consumption of that meal before, during or after their meeting. To avoid any possible inconvenience associated with this arrangement, meeting organisers should avoid booking meetings during normal lunch hours wherever possible.

The University has a duty of care to all staff and guests and in principle does not support the provision or consumption of alcohol where the University's business is being conducted especially where staff may be required to travel or home or resume duties following the consumption of alcohol.

Staff should refer to Responsible Service of Alcohol legislation.

Tea, coffee and water may be provided in accordance with these guidelines, or in circumstances where no self service option (i.e. common kitchen) is conveniently located, an equivalent level of catering may be provided.

Dinners may be provided in accordance with

## Finance Policies and Procedures



**Policy Group: Finance**

**Policy No:**  
1.00

	<p>the University's Travel or in relation to other formal occasions subject to approval by the Vice-Chancellor or a Deputy Vice-Chancellor.</p> <p>Christmas (End of Year) Thank You    It is reasonable to provide a one-off annual Christmas/Thank You Function for staff where the University contribution is limited to \$30 per person. If they so wish, individuals and supervisors may supplement this at their personal expense.</p>
<b>Forms:</b>	<ul style="list-style-type: none"> <li>• Non Order Payment Request <a href="http://www.ofs.mq.edu.au/finance_forms/purchasing/Norder_ss.pdf">http://www.ofs.mq.edu.au/finance_forms/purchasing/Norder_ss.pdf</a></li> <li>• Social Function Registration Form <a href="http://www.ofm.mq.edu.au/forms/SFForm.pdf">http://www.ofm.mq.edu.au/forms/SFForm.pdf</a></li> </ul>
<b>Definitions:</b>	<p><b>Entertainment</b> is basically expenditure in respect of entertainment by way of food, drink or recreation. It also includes accommodation and travel that arise when providing such entertainment. This does not mean that entertainment occurs every time food and drink is provided but only when the food and drink provides such entertainment. (For further information on Entertainment and Fringe Benefits Tax (FBT) refer to the University FBT Policy)</p> <p><b>Hospitality:</b> the reception and entertainment of guests or strangers with liberality and kindness.</p> <p><b>Catering:</b> the purveying of food or provisions for the purpose of entertainment and/or hospitality.</p> <p><b>Staff</b> means all continuing, fixed term or casual staff of the University as well as certain contractors whose relationship to the University is very similar to that of staff e.g. academic contractors engaged in providing teaching and/or research services.</p> <p><b>University Funds</b> means all funds received from any source for any purpose.</p> <p><b>Working Lunches</b> – includes breakfast meetings</p>
<b>Responsible Officers:</b>	
<b>References:</b>	