**Fringe Benefits Tax (FBT) Policy**

**December 2014**

### Responsible Officer
Chief Financial Officer

### Approved by
Vice-Chancellor

### Approved and commenced
December, 2014

### Review by
December, 2017

### Relevant Legislation, Ordinance, Rule and/or Governance Level Principle
Fringe Benefits Tax Assessment Act 1986

### Responsible Organisational Unit
Financial Services

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1 Objective

The objective of this Policy is to outline how the University manages fringe benefits and complies with the relevant taxation laws in relation to Fringe Benefits Tax (FBT).

2 Scope

This policy applies to all University staff, and those deemed to be employees for taxation purposes, involved in fringe benefit related activities and transactions.

3 Policy Provisions

3.1 Policy Statement

The University will manage FBT in accordance with:

- Fringe Benefits Assessment Act 1986; and
- Australian Taxation Office (ATO) rulings, guidelines and interpretations.

The University is required to:

- analyse all transactions entered into by the University to determine the application of fringe benefits and FBT;
- record the value of fringe benefits provided to all employees within the FBT year; and
- report and pay FBT liability to the ATO as part of the quarterly Business Activity Statement (BAS) lodgement and annual FBT return.

The University must maintain adequate records for its self-assessment of FBT liability for five (5) years following a submitted FBT return.

The FBT year commences on 1 April to 31 March with the annual return due 21 May.

The FBT rate is 47% increasing to 49% for the period 1 April 2015 to 31 March 2017.

3.2 Fringe Benefits

FBT is a tax paid on certain benefits the University and known third parties provide to employees and associates.

A fringe benefit is regarded as any form of employee benefit other than salary or wages which would otherwise be subject to income tax.

FBT arises where a benefit is provided in respect of the employment of an employee. The term ‘benefit’ is broadly defined and includes any rights, privileges, or services.
4 Responsibilities

University staff that incur fringe benefits expenditure are responsible for:

- assessing the total cost of an applicable benefit before it is provided;
- demonstrating that the total cost is appropriate and reasonable in the circumstances;
- seeking authorisation where the total cost is outside their financial delegation;
- maintaining and submitting the appropriate supporting documentation with payment requests as specified in the Fringe Benefits Tax Guidelines; and
- ensuring fringe benefit transactions are recorded accurately in the University’s Business Card Management System.

Authorisers of fringe benefits expenditure are responsible for ensuring that the expenditure is appropriate and reasonable in the circumstances and properly supported by complete documentation.

Financial Services is responsible for the preparation, lodgement to the ATO, recordkeeping, and payment of the quarterly instalments and annual FBT return.

5 Records Management

Records and information that support these activities will be created, managed and retained in accordance with the Records Management Policy, Procedures and Guidelines.

6 Definitions and Acronyms

<table>
<thead>
<tr>
<th>Term/Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>ATO</td>
<td>Australian Taxation Office</td>
</tr>
<tr>
<td>Associate</td>
<td>Generally a family member or relation to an employee</td>
</tr>
<tr>
<td>Employee</td>
<td>For FBT purposes this includes past, current and future employees</td>
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<tr>
<td>Fringe Benefits Tax (FBT)</td>
<td>Personal benefit received by employees and associates that is not remuneration</td>
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<tr>
<td></td>
<td>Taxation liability to be paid by an employer in providing fringe benefits to employees and associates</td>
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7 Supporting Documentation

- General Purchasing Policy and Guidelines
- FBT Guidelines
- Hospitality Policy
- Records Management Policy, Procedures and Guidelines
### Versioning

<table>
<thead>
<tr>
<th>Former Version(s)</th>
<th>No former versions. This is the first iteration of this policy.</th>
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