Hospitality Policy

Responsible Officer
Chief Operating 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 Act 1986
Governance Level Principle 7 – Procurement and Contracts

Responsible Organisational Unit
Financial Services

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1 Objective

The University recognises that the provision of entertainment is necessary to promote the University to commercial and philanthropic benefactors and to engage with staff, colleagues and stakeholders to further the University’s strategic objectives.

The purpose of this policy is to provide guidance to University staff in the expenditure of University funds for hospitality purposes.

2 Scope

This policy applies to all University staff, contractors, students, visitors and other persons where University funds are being used for the provision of hospitality.

3 Policy Provisions

3.1 Hospitality

Hospitality includes the provision of any food and drink, entertainment and recreational activities provided as part of University business.

3.2 Provision of Hospitality

Official hospitality may be provided:

- at events that are wholly, necessarily and exclusively in the interests of the University and are for a legitimate business purpose; and
- where the overall cost is appropriate, prudent and transparent and is able to withstand external scrutiny;
- where it is in compliance with relevant laws and regulations such as work health and safety legislation or any applicable regulations.

3.3 Authorisation of Hospitality Expenditure

University staff incurring hospitality expenditure are responsible for:

- demonstrating that the cost is appropriate and reasonable in the circumstances, including that the number of staff attending is necessary to advance University business or where the University will benefit from their attendance;
- hospitality under a research grant or contract is relevant to the grant or contract, is permissible under the terms and that sufficient funds are available; and
- providing complete documentation, including detailing the purpose and the benefits accruing to the University from the activity.

Authorisers of hospitality expenditure are responsible for ensuring that any payment or reimbursement of entertainment expenditure is:
• appropriate and reasonable in the circumstances, including the number of staff
attending is necessary to advance University business or where the University
will benefit from their attendance; and
• properly supported by complete documentation, including detailing the purpose
and the benefits accruing to the University from the activity.

3.4 Accounting Requirements

Hospitality and entertainment expenses including any associated on-costs should be
charged against the relevant budget centre’s operating account. Relevant costs
should only be charged against research accounts where the conditions of the grant
allow such expenditure.

Staff involved in hospitality will complete any documentation required to ensure
adequate accounting as well review for potential entertainment fringe benefits.

3.5 Fringe Benefit Tax

Entertainment for the purposes of fringe benefits tax is the provision of:

• food and drink beyond mere sustenance;
• recreational activities including touring, theatre or sporting events; and
• accommodation and travel provided in relation to the provision of entertainment.

The University is liable for fringe benefits tax (FBT) on payments deemed to be the
provision of entertainment to University staff and Associates. FBT is not payable on
the proportion of total expenditure incurred in providing entertainment to University
students, guests or visitors.

Any financial contributions made by University staff and/or Associates to the cost of
entertainment reduces the amount of FBT payable.

FBT payable on official hospitality and entertainment expenditure is charged back to
the Budget Centre responsible for the expenditure. However, FBT for University staff
and Associates may be charged back to their assigned Budget Centre for Foundation
Dinners and other similar events where Financial Services is notified.

For further information refer to the Fringe Benefits Tax Guidelines.
3.6 University Staff Amenities and Refreshments

FBT is not applicable to general staff amenities which includes the provision of general tea and coffee within the workplace and provision of non-alcoholic beverages and finger foods for meetings.

Working lunches would generally be exempt from FBT where provided on University premises and are a continuation of an all-day or half day meeting without any alcoholic beverages.

3.7 University Staff Functions

It is recognised that, on occasions, functions are arranged which may only involve the participation of University staff and Associates, such events may include Christmas functions, welcomes and farewells or cross campus staff get-togethers.

Organisers and authorisers should ensure that costs are maintained at appropriate and reasonable amounts including FBT liability.

Contributions by Budget Centres towards such events should take into account provision of functions to be provided by Senior Management Team or Senior Executives for such occasions.

3.8 University In-house Events (Eligible Seminars)

Eligible seminars are exempt from FBT where specified criteria is met, this includes:

- in-house conferences, workshops, planning days and retreats;
- held off business premises;
- greater than four hours duration (excluding meal or refreshment breaks);
- refreshments and light meals exception for overnight events where minimal alcohol is served with dinner.

An agenda or run sheet of the event must be provided with payment documentation.

Ineligible in-house events include those where the main purpose is to promote or advertise the University or dominant purpose is to entertain.

Organisers and authorisers are responsible that total costs for overnight retreats or other overnight events are appropriate and reasonable for the circumstances.

For further information refer to the Fringe Benefits Tax Guidelines.
3.9 University Travel

Provision of food and drink to University staff while undertaking University travel would not ordinarily give rise to an FBT liability, however, FBT will apply where the provision goes beyond mere sustenance and is deemed to be entertainment for FBT purposes.

Provision of food and drink to Associates accompanying University staff will incur FBT.

Conference dinners that are charged separately to conference registrations would generally incur FBT.

3.10 Safe Consumption of Alcohol

The University encourages moderation and a responsible attitude towards the consumption of alcohol and will aim to create an environment free of inducement and social pressure to consume alcohol.

For further information refer to the Safe Consumption of Alcohol Policy

3.11 Receiving Hospitality

When accepting hospitality from third parties, care should be taken to avoid any possible conflict of interest. It is particularly important that such situations should not be perceived or constructed as providing an incentive for any commercial transactions or as a reward or payment for past transactions.

For further information refer to the Staff Gifts and Benefits Policy

3.12 Additional Information

Where there is any uncertainty regarding the nature or appropriateness of any aspect of a hospitality function, or where an exception is sought to the above provisions, the matter should be referred to Financial Services for advice and consideration.

For further information on FBT and the provision of hospitality refer to the Fringe benefits Tax Guidelines, for specific FBT advice the matter should be referred to Financial Services.

3.13 Misuse of Hospitality

Intentional misuse of hospitality may be referred to Human Resources for disciplinary action at the discretion of the Chief Financial Officer.
### Definitions and Acronyms

<table>
<thead>
<tr>
<th>Term/Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Organisational Unit</strong></td>
<td>College, Faculty, School, Centre, University Institute, other University Entity, Division, Section or University Business Enterprise.</td>
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<tr>
<td><strong>Entertainment (FBT)</strong></td>
<td>Provision of recreational activities including theatrical or sporting events, food and drink beyond mere sustenance, provision of accommodation and/or travel in relation to entertainment.</td>
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<tr>
<td><strong>Hospitality</strong></td>
<td>Any food, drink, entertainment or recreational activity provided as part of University business.</td>
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<td><strong>Reasonable Expenditure</strong></td>
<td>Expenditure that is fully justifiable with the purpose and amount spent as being necessary for University business purposes and is genuinely beneficial to the University.</td>
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### Supporting Documentation

- Fringe Benefits Tax Guidelines
- General Purchasing Guidelines
- Safe Consumption of Alcohol Policy
- Staff Gifts and Benefits Policy

### Versioning

| Former Version(s) | No former versions. This is the first iteration of this policy. Amended in December 2016 to incorporate Colleges. |