



## Hospitality Policy

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**Custodian:** Director, Finance and Business Services

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In developing this policy the University had regard to the provisions of section 40B(1)(b) of the Human Rights Act 2004 (ACT).

### PURPOSE:

The University of Canberra recognises that the provision of hospitality can result in significant benefits to the University through promoting its activities. The extension of hospitality by University staff in the furtherance of University objectives is therefore regarded as a legitimate professional activity. The purpose of this policy and guidelines is to provide guidance to University employees in the expenditure of University funds for hospitality purposes. It is intended to establish a framework to ensure that:

- There is a consistent approach to expenditure on official hospitality across the University;
- Expenditure on official hospitality is in accordance with the University's objectives; and
- Standards on accountability for the expenditure of University funds are maintained and publicly defensible.

This policy and associated guidelines are not expected to cover every situation that may arise. Where there are queries the staff member should discuss the proposed hospitality with their supervisor prior to entering into any arrangements or incurring expenditure.

### SCOPE:

For the purpose of this policy hospitality is defined as:

- The provision of meals or refreshments to persons who are visiting the University for business reasons including the press and other media, representatives of government, business or industry, and recognised community organisations;
- The organisation of other functions that further the objectives of the University; or
- The entertainment of individuals at special events conducted at the University or other locations.

It is expected that, in the majority of cases, where practical, such hospitality will occur at the University's own restaurants and cafes, thus reducing the University's exposure to fringe benefits tax, although the provision of hospitality off campus or at a staff member's home is not precluded.

Other types of expenses considered reasonable as official hospitality expenditure include:

- Tea/coffee, morning tea, or similar for official visitors;
- Breakfast/lunch/dinner involving official visitors;
- Tourist activities and entertainment events (such as concerts and exhibitions) which relate to the activities of the University; and
- Light refreshments for internal meetings, conferences workshops and seminars

Expenditure that is not normally considered appropriate includes:

- Tips (within Australia) - The addition of tips or gratuities to the account in a hospitality situation is not encouraged and should only be done in exceptional circumstances. However, it is recognised that tipping is the normal custom in some areas of the world and, in those situations, an appropriate tip or gratuity may be given;
- Club membership or entrance fees; and
- Costs incurred by partners and/or relatives attending an official University function - Participants at functions covered by this policy should normally be restricted to University staff and individuals who it is believed will contribute to the University's objectives. On occasions, attendance at such functions by a staff member's spouse or partner (associates) may be appropriate. Prior approval for attendance by associates should be obtained from one of the officers nominated in the Responsibilities section of this policy document.

#### PRINCIPLE:

- Hospitality expenditure may be charged against business unit operating funds, research grants (where the conditions of the grant allows such expenditure) and other special purpose funds under the control of a manager with appropriate delegated authority.
- Expenditure on hospitality must be approved in accordance with the University's financial delegations policy as approved by Council from time to time.
- While it is not intended that managers are unduly restricted in incurring hospitality expenditure, there is an expectation of 'reasonableness'. Generally speaking, this would be a maximum expenditure level of \$80 per person where dining is involved. Ordinarily expenditure at functions involving finger food and drinks should be no more than \$35 per person.
- It is the responsibility of the manager/delegated officer to determine the nature and extent of hospitality provided.
- Fringe Benefits Tax (FBT) is imposed on that portion of taxable hospitality expenditure that relates to the provision of meals, refreshments, entertainment etc to University staff or associates. Fringe Benefits Tax on official catering may be payable even where the food and beverages are supplied internally. It is not, however, payable on morning or afternoon teas or light lunches where alcohol is not served; however, these would need to be consumed at the place of work rather than a specialised entertainment area.
- Fringe Benefits Tax will be debited to the appropriate business unit or fund. Appropriate documentation to substantiate expenditure for hospitality and official functions must be maintained and the University's FBT Assessment Form, duly authorised, forwarded to Financial Services with the invoice/payment documentation.

Guidelines and advice on the application on FBT is available from Financial Services.

There are occasions when it may be appropriate to provide hospitality at functions attended only by

University staff, and where there are clear benefits in terms of training and/or staff morale. Examples include:

- Celebration of a notable achievement by a staff member or a group of staff;
- Farewells to retiring staff;
- Training programmes;
- Recognised University-wide events; and
- Community festivals such as Christmas.

Approval must be given prior to the event by the relevant officer identified in section above and that officer must authorise the FBT form accompanying the tax invoice.

In some circumstances the hospitality will include the giving of a small gift or token of appreciation (eg. flowers), for example to celebrate the retirement or departure of a valued and/or a long-serving staff member. The officer identified in the Responsibilities section below may authorise the cost of such a gift to be met by the University, up to a total value of \$90.

### **Stocks and consumption of alcohol**

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

Such facilities, including office bar fridges, must be approved by a member of the senior executive, Dean or Director.

All alcohol consumption on campus must be in accordance with the University's [University of Canberra \(Liquor\) Statute 2015](#) and the [University of Canberra Liquor \(General\) Rules 2015](#) made under that Statute.

### **Receiving Hospitality**

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

## **RESPONSIBILITIES:**

The Vice-Chancellor has the delegated authority to approve and revise this policy.

The Chief Operating Officer has senior management responsibility for the implementation and maintenance of this policy through the Director, Financial Services.

Decisions on the expenditure of University funds on hospitality rest with the Chancellor, the Vice-Chancellor and senior executives of the University, Deans and heads of administrative services and other staff with delegated authority. The officer approving the expenditure incurred, or to be incurred, must be satisfied that:

- It is in relation to official duties,
- It is reasonable, appropriate; and
- It is publicly defensible.

Staff delegated to approve hospitality expenditure are required to have a thorough understanding of the substantiation requirements and procedures surrounding the payment of such costs in order to ensure that the University is not in breach of taxation regulations, especially regulations and procedures relating to fringe benefits tax. Staff must not approve expenditures or reimbursements for themselves and all authorisations should be by a person in a higher position. (Note: It may be appropriate at some official functions for the most senior University officer present to pay for the hospitality with a corporate credit

card or private credit card and seek reimbursement. All such claims need to be signed off by a person in a higher position.)

The University's Internal Auditor will conduct periodic reviews of hospitality expenditure to ensure compliance with this policy.

#### NOTES:

For further information about this policy or matters not covered by it, please refer to the Director, Finance and Business Services in the first instance.