

## Hospitality Provided by the University Policy

<b>Approving authority</b>	Finance, Resources and Risk Committee
<b>Approval date</b>	20 November 2017
<b>Advisor</b>	Deputy CFO and Financial Controller, Finance <a href="mailto:Howard.Ward@griffith.edu.au">Howard.Ward@griffith.edu.au</a>   (07) 373 56533
<b>Next scheduled review</b>	2020
<b>Document URL</b>	<a href="http://policies.griffith.edu.au/pdf/Hospitality%20Provided%20by%20the%20University%20Policy.pdf">http://policies.griffith.edu.au/pdf/Hospitality Provided by the University Policy.pdf</a>
<b>TRIM document</b>	2017/0000451
<b>Description</b>	The University recognises that the provision of hospitality by the University can result in significant benefits to the institution. This policy sets out the circumstances under which hospitality expenditure may be incurred and guidelines which should be followed.

### Related documents

[Gifts and Benefits Policy](#)

[Code of Conduct](#)

[FBT Entertainment & Hospitality Guide](#)

[Financial Management Practice Manual - FBT](#)

[Definition](#)] [[Policy](#)] [[Fringe Benefits Tax](#)] [[Policy Guidelines](#)]

## 1. DEFINITION

Hospitality includes:

- the provision of meals and / or refreshments;
- the provision of tickets to sporting events, movies, cultural events or other functions;
- the provision of travel or overnight accommodation;
- other forms of entertainment; and
- other incidental costs associated with the provision of the above such as taxi charges or transport costs

for visitors or staff members which further the objectives of the University and form part of its operations.

## 2. POLICY

All hospitality expenditure must be incurred for a specific outcome that can be demonstrated to be of benefit to the University. These outcomes should be documented at the time of approval.

The officer approving expenditure must be satisfied that the expenditure incurred, or to be incurred, is in relation to official duties, is reasonable and is publicly defensible.

In considering whether an expenditure is reasonable and publicly defensible, the expenditure must be:

- directly beneficial to furthering the official business of the University; or
- a clear benefit in promoting staff morale; **and**
- reasonable by community standards and able to withstand public scrutiny.

Functions celebrating staff achievements, reward and recognition and other in-house social events should not be excessive in scope, frequency or expenditure.

Appropriate documentation to substantiate expenditure for hospitality (for Fringe Benefits Tax and Goods & Services Tax purposes) must be maintained.

Wherever practicable, approval should be obtained prior to the incurrance of the expenditure. All expenditure must be made in accordance with Griffith University Financial Delegations.

---

### **3. FRINGE BENEFITS TAX ('FBT')**

Fringe Benefits Tax is imposed on certain hospitality expenditure at the rate specified in the Act. The tax is applied to the portion of hospitality expenditure that relates to University staff or associates and can have the effect of doubling the cost to the element.

When incurring hospitality expenditure, the following must be complied with:

- appropriate records of attendees must be recorded such as the number of staff, friends and family members of staff, and / or visitors; and
- supporting documentation of expenditure must be retained and attached in the Finance System or Expense Management System

to ensure applicable FBT is recorded as part of the hospitality expenditure and remitted to the ATO as part of the University FBT return.

---

### **4. POLICY GUIDELINES**

Heads of Departments / Elements may approve hospitality expenditure up to a maximum of \$120 per head and to a maximum of \$1,560 for any official function involving formal dining. Higher expenditure levels require approval from the relevant member of Executive Group. This threshold excludes any GST or FBT component that may be applicable.

Members of Executive Group will exercise judgement about their expenditure on hospitality bearing in mind that they are often required to host functions for international guests and / or senior figures from government, business and industry.

Staff attending functions should be limited to those with a direct involvement in the business being conducted.

The number of staff attending functions should generally be no more than the number of external representatives.

Care should be exercised when including officer's partners at functions to ensure that the need for all expenditure on hospitality to be reasonable and publicly defensible be met.

For staff-only events expenditure should generally be limited to \$40 per head. This threshold excludes any GST or FBT component that may be applicable.

The cost of morning and afternoon teas and working lunches consisting of finger food only are not considered to be hospitality. Refreshments (tea, coffee etc.) purchased from outlets on campus for consumption during informal meetings between colleagues are considered a private expense. For further clarification, please refer to the University's [FBT Entertainment & Hospitality Guide](#).