

# Finance Procedure - Entertainment Expenses

## Section 1 - Purpose

(1) This procedure provides information about the appropriate use and approval of University funds when providing entertainment and hospitality at Charles Sturt University (the University).

### Scope

(2) This procedure applies to all employees, students, contractors, visitors, and other individuals where University funds are used.

## Section 2 - Policy

(3) This procedure supports the [Finance Management Policy](#) and [Travel Policy](#).

## Section 3 - Procedure

### Principles

(4) The provision of entertainment and hospitality is considered a valid business purpose (as per the [Finance Management Policy](#)) when undertaken by University staff to further University objectives.

(5) As a publicly funded body, the University will ensure that public sector standards of accountability are maintained when using University funds for entertainment and hospitality activities.

(6) All staff must exercise good judgment in deciding on and/or approving the appropriate expenditure for entertainment and hospitality. The link between expenditure and the professional undertakings of the University must be clear.

(7) This procedure and the [associated Guidelines](#) set out the types of entertainment and hospitality activities that University funds may be used for in relation to staff-related expenditure, and provide directions for determining the nature and amount of the entertainment purchase being considered.

(8) [Delegation schedule C - Finance](#) sets out the delegated officers and the expenditure thresholds for entertainment expenses.

### Allowable entertainment, hospitality, and catering expenditure

(9) Expenditure for entertainment and hospitality may be approved for the following purposes (see the supporting [guidelines](#) for the criteria and requirements for each):

- a. Official functions
- b. Working lunches/breakfasts and/or lunches/dinners with external guests for official business purposes
- c. Catering for all-day, face-to-face meetings, training or seminars and

d. Other circumstances as set out in the [Finance Guidelines – Entertainment, FBT and Personal Expenditures](#).

(10) All expenditures under clause 9 must be:

- a. for University business purposes
- b. properly documented, and
- c. available for scrutiny by both internal and external audit.

(11) Particular care must be taken in planning entertainment activities to ensure that expenditure is reasonable regarding:

- a. the choice of venue, this should offer value/quality for money, but not be extravagant, and
- b. the provision of alcohol; Use of University funds for cocktails, boutique wines, or the like are not permitted.

(12) Expenditure must not be approved for:

- a. the sole purpose of entertaining University staff, including entertaining University staff visiting from other campuses. Discussing university business at a staff meal or similar function does not give rise to an entitlement to entertainment expenditure.
- b. hospitality and entertainment for partners, spouses, or family members of staff (unless prior approval is provided by the delegated officer, or the partner, spouse or family member is invited to a function or event in their own right, for example, as an alumni member, presenter/speaker or a member of a group receiving an invitation), and
- c. the provision of meals to staff members who have, or intend to, claim a meal allowance when travelling.

(13) Approval must be sought in advance from a staff member's supervisor if there is any doubt about whether expenditure is an entertainment expense. In the event of any uncertainty, expenditure should be treated as an entertainment expense and approved accordingly, to minimise risk to the University (such as fringe benefit tax liability and/or non-compliance with foreign bribery requirements).

## **Catering**

(14) All onsite catering must be provided by CHEERS, except where CHEERS is not available or specialised catering is required on religious or cultural grounds. Under these exceptions, an external supplier can be used and must represent value for money and be in accordance with the [Finance Management Policy](#).

(15) University funds may be used to provide:

- a. common area appliances (such as microwave, standard toaster, kettle, teapot, jugs, cutlery, and crockery) in a designated staff room/kitchenette that is accessible to all staff, for the purpose of entertainment and hospitality, and
- b. water fountains/facilities where these are available for all staff and visitors and not be limited for individual use.

(16) University funds must not be used to provide

- a. luxury and top-of-the-range items (such as coffee machines), and
- b. bottled water (other than in circumstances where water jugs or glasses would be impractical).

## **Anti-bribery obligations**

(17) It is an offence under the Criminal Code for anyone acting on behalf of the University to provide a benefit

(including gifts and entertainment) with the intention of improperly influencing a Commonwealth public official or a foreign public official in order to obtain or retain business or a business or non-business advantage.

(18) Staff involved in foreign interactions (as per the Countering Foreign Interference Procedure) must:

- a. complete any mandatory training specified by the University before providing entertainment or hospitality in relation to the foreign interaction,
- b. only provide entertainment or hospitality for foreign public officials where it can be demonstrated that this was not intended to influence the public official in relation to their duties.

(19) Where the entertainment or hospitality is provided outside of Australia, ensure that this is allowed under legislation in that country (that is, it must be clearly required/allowed under written law, not local custom).

## **Payment of entertainment expenses**

(20) Expenditure for entertainment and hospitality must be approved by the delegated officer before the expense is incurred. Refer to [Delegation Schedule C - Finance](#). Approval must be given for each instance; blanket pre-approvals are not permitted.

(21) Any expenditure not approved as required under clause 20 will be treated as private expenditure and the responsible staff member will be liable.

(22) Where a bill or invoice for entertainment or hospitality must be paid at a venue (internal or external), it must:

- a. be paid by the most senior officer in attendance, or the most senior officer with the means to do so
- b. be reconciled by a higher level of authority than the person who paid the invoice/bill
- c. for lunches/dinners at external venues, or a bill/invoice paid by someone other than the most senior officer in attendance (as per sub-clause a), be reconciled by an officer (at a higher level of authority) who did not attend the function.

(23) Reconciliation approvers must have sufficient knowledge to evaluate every transaction and the authority to challenge or seek further approvals for questionable transactions.

## **Limits on expenditure**

(24) Approved entertainment, hospitality, and catering expenses must be incurred against operating funds unless specifically provided for under the terms and conditions governing the expenditure of other funds (e.g. research grants).

(25) The cost of entertainment, hospitality, and catering will vary depending upon the venue and nature of the function, however, staff are required to minimize expenditure. As a guide for official functions involving formal dining, the current dinner meal allowance amount in the [Travel Policy](#) may be used. The delegated officer must approve any amounts in excess of this.

(26) The [Finance Guidelines – Entertainment, FBT and Private Expenditure](#) provide further information about the limits on entertainment and hospitality expenditure.

## **Substantiation requirements**

(27) Purchase orders and/or University travel cards are to be used to pay for entertainment. Where this is not possible:

- 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.

- 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:
- i. Explanation of University purpose
  - ii. Name of all persons attending and external organizations represented
  - iii. Names of all University staff attending
  - iv. Written evidence of pre-approval if required (see clause 20).

## **Fringe benefits tax**

(28) Fringe benefits tax (FBT) is payable where University staff have been beneficiaries of entertainment expenditure by the University. The FBT is charged back to the organisational unit responsible for the expenditure. This should be taken into account in any decision to incur entertainment expenses. For further information, refer to the [Finance Guidelines – Entertainment, FBT and Private Expenditure](#).

## **Section 4 - Guidelines**

(29) The following guidelines and documents support this procedure:

- a. [Finance Guidelines – Entertainment, FBT and Private Expenditure](#)
- b. [Recognition of Service Guidelines](#)
- c. [Finance Procedure – Corporate Credit Cards](#)

## **Section 5 - Glossary**

(30) This procedure uses terms defined in the [Finance Management Policy](#), as well as the following:

- a. Catering – means the supply of food, drink, or provisions by a catering supplier for the purpose of entertainment and/or hospitality.
- b. Contractor – means any third-party worker who provides a service to the University, including but not limited to; trade contractors, maintenance providers, repairers, consultants, advisors, specialists, experts, assessors, inspectors, planners, vendors, stallholders, merchants, caterers, cable contractors, service contractors, technicians, and transportation providers.
- c. Controlled entity - means a person, group of persons, or body of which the University or the Council has control within the meaning of section 2.2(1) of the [Government Sector Finance Act 2018](#).
- d. CHEERS – means the in-house food, retail, and entertainment arm of Charles Sturt University.
- e. Entertainment – means the costs incurred in hosting, providing, or participating in events and activities intended to entertain guests, stakeholders, employees or other individuals.
- f. Hospitality – means the reception and entertainment of guests or strangers with courtesy and kindness.
- g. Official functions – As defined in the [Finance Guidelines – Entertainment, FBT and Private Expenditure](#).
- h. Staff – means all continuing, non-continuing, casual staff, and contractors of the University and its Controlled Entities.
- i. Students – means students currently enrolled at Charles Sturt University.
- j. University funds – means all funds received by the University or a Controlled Entity from any source, for any purpose.
- k. Working lunches/breakfasts – means meetings held during standard lunch or breakfast periods.

## Section 6 - Document Context

Compliance drivers	N/A
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