

University Expenditures Policy

Section 1 - Purpose

- (1) The purpose of this Policy is to provide direction in assessing whether specific expenditures are allowable or not, and under what circumstances, before Charles Sturt University (the University) funds are committed.
- (2) This Policy applies to all employees, students, contractors and visitors and others when University funds are being used.
- (3) This Policy should be read in conjunction with the following documents:
 - a. [Travel Policy](#); and
 - b. [Procurement Policy](#).

Section 2 - Glossary

- (4) Nil.

Section 3 - Policy

- (5) The University is a public statutory body and all its funds, irrespective of the source, are public monies. University funds must be spent for the University's defined purposes and in its best interests.
- (6) The University is accountable publicly for the use of its funds and all employees exercising financial authority under delegation are responsible for ensuring that approvals for expenditures comply with the University's [Delegations and Authorisations Policy](#).
- (7) All purchasing transactions must meet the following four principles. An expenditure must be:
 - a. necessary to perform a valid business purpose consistent with the University's mission. If required, employees must be able to identify and justify the relationship and connection between the expenditure and the official business of the University;
 - b. reasonable and represent "value for money" in that the expenditure amount is not extreme, extravagant or excessive;
 - c. appropriate in that the expenditure is suitable and fitting in the context of the valid business purpose; and
 - d. allowable according to the terms of any regulation, law, contract, or University policy and its procedures. There must be evidence that University procedures have been followed to demonstrate that a prudent and defensible decision to incur the expense has been made.
- (8) Consistent with the above guiding principles:
 - a. University funds cannot be used for private purposes, under any circumstances;
 - b. employees and others are entitled to the reimbursement of approved reasonable expenses they incur on behalf

of the University;

- c. research grants received by the University are University funds and must be used according the specific purposes and conditions of the grants. Any property or goods and services purchased with the funds remain the property of the University at all times;
- d. an employee cannot provide goods or services to the University in any capacity, outside of those provided through their employment relationship;
- e. an employee cannot enter into a commitment for the supply of goods or the performance of services unless designated funds are available and the appropriate approval has been obtained, as set out in the University's [Delegations and Authorisations Policy](#);
- f. an employee approving purchases must ensure they are familiar with the restrictions outlined in the [Delegations and Authorisations Policy](#);
- g. an employee cannot approve their own expenditures; and
- h. all expenditures must be properly documented.

(9) An employee cannot undertake negotiations, contracts or arrangements in which they have either a pecuniary or significant non-pecuniary relationship with any supplier. The latter relationship would include immediate family members. Further information can be found in the University's [Conflict of Interest Procedure](#).

(10) Managers should lead by example and foster a culture of moderation when spending University funds. They must scrutinise and exercise good judgement in approving expenditures and in reimbursing expenses, having due regard to the University's [Code of Conduct](#).

(11) The concept of "value for money" is not restricted to price alone and should include assessment of key factors like: sustainability, quality, service and support, whole-of-life costs (especially maintenance costs), initial and end-of-life transaction costs, and any other expenditures related to the item.

(12) Failure to follow the above principles in clause 7 and clause 8 may result in disciplinary action.

Section 4 - Procedures

(13) Individuals must comply with all relevant University policies and procedures when considering and then authorising an expenditure.

(14) Procurement of goods and services relating to specialised work functions and responsibilities of the University (such as building works and projects, information technology, library services and publications) must be placed either through or by the relevant Division/Office/Faculty. For example:

- a. computers/audio visual equipment - contact: Computer Shop;
- b. books/journals/subscriptions - contact: Division of Library Services;
- c. printing - contact: CSU Print;
- d. radioactive materials - contact: Radiation Safety Committee;
- e. catering on campus - contact: CSU Events Unit.

(15) It is acknowledged that there will be circumstances in which a proportion of expenditure is private (for example, hotel accounts containing alcohol consumption, entertainment, private phone call charges). The private component of these charges should be paid and settled by the employee, and not charged to the University. If the personal use of a University mobile phone/tablet exceeds incidental use, staff will be required to reimburse the University in relation to those calls or charges that are for personal use.

(16) In circumstances where the nature of the expenditure is unclear, the expenditure is deemed private, and

therefore, is payable by the employee.

(17) Fringe benefits tax liabilities may apply to some expenditures. A fringe benefit can arise where:

- a. the University or a third party provides goods or services to an employee;
- b. the University pays an employee's, or their associate's, expenses; or
- c. the University reimburses an employee for an expense.

(18) Fringe benefits tax will apply where:

- a. a benefit is provided in respect of the employment of an employee;
- b. a benefit is provided by the University or a third party under an arrangement; or
- c. a benefit is provided to an employee (present, former and future) or their associate (a spouse, partner, child or relative of an employee).

(19) If a transaction results in an applicable fringe benefits tax liability, the amount will be allocated to the applicable Budget Centre incurring the expense. For inquiries about fringe benefits tax contact the Financial Accountant (Tax and Investments).

Section 5 - Guidelines

(20) There are some common instances where an employee is seeking guidance on whether an expense is personal or connected to the University's business activities or perhaps both. In many cases, the employee has incurred an expenditure and seeks reimbursement. The University will only reimburse an employee or pay an employee's expenditures if they satisfy the principles in clauses 7 and 8. Clause 16 will be the guiding rule: if there is any doubt, the expenditure should be treated as a private expenditure and payable by the employee.

(21) The following types of expenditures are private and not allowable business expenditures, unless otherwise approved by the Vice-Chancellor /or nominee:

- a. car cleaning (personal and/or salary sacrificed vehicles);
- b. dinners/functions at an employee's private residence, unless approved by the Vice-Chancellor before the event;
- c. domestic internet and telephone accounts, unless working off campus is a condition of employment;
- d. donations paid to others;
- e. fines (including traffic and parking infringements, and library fines);
- f. flowers, gifts, unless approved by the Vice-Chancellor, relevant Deputy Vice-Chancellor, Executive Director, Executive Dean or their nominees;
- g. newspapers and magazines and other publications for general interest reading;
- h. personal clothing, apparel or other items for personal use, even when travelling on University business;
- i. travelling expenses such as movie hire fees, mini-bar alcohol consumption, personal grooming, and recreation activities;
- j. memberships of professional associations, unless the payment is a condition of the employment contract;
- k. memberships of airline lounges unless allowed by the [Travel Policy](#);
- l. staff farewell events, unless approved by the Vice-Chancellor, relevant Deputy Vice-Chancellor, Executive Director, Executive Dean or their nominees; or
- m. tipping in Australia (refer to the [Travel Policy](#) for tipping while travelling overseas).

(22) The Chief Financial Officer may review annually the list of expenditure types in clause 21.

Status and Details

Status	Historic
Effective Date	19th February 2019
Review Date	19th February 2022
Approval Authority	Chief Financial Officer
Approval Date	7th February 2019
Expiry Date	26th September 2021
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