

# Hospitality and Entertainment

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## 1.0 Purpose

The purpose of this procedure is to guide appropriate spending of University money on hospitality and entertainment in accordance with the Hospitality and Entertainment Policy.

## 2.0 Scope

This procedure applies to all employees and others included within Griffith University's Code of Conduct.

## 3.0 Procedure

This procedure supports the Hospitality and Entertainment Policy, and the Code of Conduct. The University's Conflict of Interest Policy and Gifts and Benefits Policy should also be considered when interpreting this procedure. This procedure operates in conjunction with the University's expenditure guidelines: Spending University Funds.

### 3.1 Planning

When considering catering or hospitality for an event or activity, the organiser must ensure appropriate records are kept, to meet any tax compliance requirements. They must also consider:

- whether the purpose and outcome of the event or activity aligns with the principles and dollar thresholds outlined in the Hospitality and Entertainment Policy
- the number and types of attendees (e.g. students, external business guests, staff members)
- the location or venue and logistics
- the duration and timing of the event or activity
- type of catering such as finger food, sit-down meal, alcohol provided
- budget, including the cost of FBT (if applicable).

Please refer to the FBT Entertainment and Hospitality Guide when assessing whether FBT applies to your activity or function. FBT is expensed to the cost centre paying for the hospitality and entertainment expenditure.

### 3.2 Ordering, incurring the expenditure and substantiation

The person placing the order through the finance system or the expense management system (Concur) must follow requisite processes:

- Finance system and Concur – comply with the Purchasing and Procurement procedure. To ensure legal compliance and that the Finance team can accurately calculate and allocate FBT, you must provide relevant and sufficient information, including attachments:
  - business purpose
  - types of attendees (eg, staff, students, third parties)
  - types of food and beverage (e.g., finger food, sit-down meal, alcohol provided)
  - an event agenda.
- Documentation – ensure it is attached in the finance system or in Concur to substantiate the expenditure (e.g., agenda, tax invoice), **number and types of attendees** (e.g. calendar invites, RSVP lists, arrival sign-ins), and evidence approval was granted before the event.
- Approvals – ask the authorised delegate to approve the hospitality and entertainment expenditure, which should be work-flowed through the finance system or expense management system.
- The following scope and guidance are provided to assist you to exercise judgement and to apply the principles of the University’s Hospitality and Entertainment Policy:
  - 3.2.1 You must adhere to the thresholds outlined in the Hospitality and Entertainment Policy.
  - 3.2.2 Limit staff attending functions 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 attendees.
  - 3.2.3 Exercise care when including the **spouse, partners or accompanying person(s) of staff members** at functions to ensure the requirement for hospitality and entertainment expenditure to be reasonable and publicly defensible is met. FBT also applies on entertainment provided to friends and family of staff members.
  - 3.2.4 Refreshments (tea, coffee, muffins, etc.) purchased from cafes or outlets on campus for consumption during informal meetings between colleagues are considered a **private** expense and will not be paid by the University.
  - 3.2.5 Moderate refreshments/**working lunches** consisting of finger food only (e.g. sandwich platters) are not treated as entertainment in nature and therefore are not subject to FBT.
  - 3.2.6 **Alcohol** may be served as part of hospitality events, however, its service is subject to Griffith University’s Code of Conduct.
  - 3.2.7 Hospitality and/or entertainment held in conjunction with, but purchased separately to **conferences/seminars** ,(e.g. optional dinner event, and/or optional welcome drinks) are subject to this procedure.
  - 3.2.8 Hospitality and/or entertainment included in the cost but immaterial to the total cost of a **conference/seminar** (e.g. three day conference which includes an evening drinks or networking event) will not be treated as entertainment in nature. In some instances, FBT may apply for extravagant events or gala dinners.
  - 3.2.9 **Networking events and charity events** primarily for hospitality/entertainment (networking drinks or gala dinners) are subject to this procedure.
  - 3.2.10 **Conferences/seminars** of four hours or longer which include refreshments or lunch are not subject to this procedure (the four hours exclude meal breaks).
  - 3.2.11 Hospitality/entertainment **received** is subject to the University’s Gifts and Benefits Policy and Procedure.

- 3.2.12 The Staff Hospitality & Catering – Quick Guide provides further information on what is considered ‘meal entertainment’ and the appropriate classification to select when acquitting the expenditure or submitting an expense reimbursement claim.
- 3.2.13 Consistent with expected standards of accountability and the efficient use of public sector funds, using University money for tipping in Australia is not encouraged. Tipping culture differs from country to country. If hospitality or entertainment is provided in a country with a tipping culture, then the tip can be paid but is limited to the average acceptable tip for that country.

### 3.3 Non-compliance and complaints

Identified instances of potential non-compliance will be dealt with in accordance with:

- Code of Conduct
- Conflict of Interest Policy
- Fraud and Corruption Control Policy.

## 4.0 Definitions

For the purposes of this procedure and related policy documents, the following definitions apply:

**Entertainment** is defined in the *Income Tax Assessment Act 1997* (Cth) which means:

- a) Entertainment by way of food, drink or recreation; or
- b) Accommodation or travel to do with providing entertainment by way of food, drink or recreation

Entertainment would include business lunches and social functions.

**Employee** is the definition of an ‘employee’ provided under the *Fringe Benefits Assessment Act 1986* (Cth) and includes past, present and future employees. Employee includes:

- members of University Council and Council committees
- all continuing, fixed-term and casual staff, including senior management, executive, academic, general and professional
- visiting, honorary and adjunct, conjoint appointments and volunteers.

**Fringe Benefits Tax (FBT)** refers to tax the University pays on benefits provided to employees (or their associates) in addition to their salary and wages as defined in the *Fringe Benefits Assessment Act 1986* (Cth).

**Goods and Services Tax (GST)** is a value-added tax that is levied on most goods and services sold and purchased in Australia as defined by *A New Tax System (Good and Services Tax) Act 1999* (Cth).

**Hospitality** refers to any event, including but not limited to internal or external meetings, seminars, conferences, and workshops, where entertainment, accommodation or catering is provided.

## 5.0 Information

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Title	Hospitality and Entertainment Procedure
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Document number	2024/0001013
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Purpose	The purpose of this procedure is to guide appropriate spending of University money on hospitality and entertainment in accordance with the Hospitality and Entertainment Policy.
Audience	Staff
Category	Operational
Subcategory	Finance Risk & Integrity
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Approval date	February 2024
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Policy advisor	Head, Financial Management
Approving authority	Chief Financial Officer

## 6.0 Related Policy Documents and Supporting Documents

Legislation	<i>Income Tax Assessment Act 1997 (Cth)</i> <i>Fringe Benefits Tax Assessment Act 1986 (Cth)</i>
Policy	<i>Code of Conduct</i> <i>Conflict of Interest Policy</i> <i>Fraud and Corruption Control Policy</i>

Gifts and Benefits Policy  
Hospitality and Entertainment Policy

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Procedures                      FBT Entertainment and Hospitality Guide  
   Purchasing and Procurement procedure  
   Adding Attendee details in Concur

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Local Protocol                      Spending University Funds

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Forms                                      N/A

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