

Entertainment Vice-Chancellor's Directive

Abstract

This Directive outlines the appropriate use of University funds for entertainment expenditure, particularly in relation to business meetings, functions and other occasions when meals and/or light refreshments are served.

Dates	Directive approved	17/09/2012
	Directive takes effect	10/10/2012
	Directive is due for review (up to 5 years)	11/2018
	Amendment approved	29/11/2013
	Amendment takes effect	19/12/2013
Approved by	Vice-Chancellor	
Implementation Officer	Finance Manager, Financial Services Unit	
Relevant to	All staff, students, contractors and visitors to the University	
Related documents	Corporate Credit Card and Staff Reimbursements Vice-Chancellor's Directive UTS Facilities Hire Vice-Chancellor's Directive Gifts and Benefits Vice-Chancellor's Operational Directives Guidance for the Service of Alcohol at UTS (PDF) Guidelines for Authorisations to Expend Funds under Delegation 1.2, General Expenditure (PDF) iExpenses User Guide (PDF) Meal Allowance During Overtime — Hours of Work for Support Staff Meal Entertainment — Fringe Benefit Tax (UTS E-Tax Manual) Meal Entertainment form (Excel) Public Spaces and Facilities Management Vice-Chancellor's Directive Standing Delegations of Authority UTS Tax E-Manual Travel Vice-Chancellor's Directive UTS Travel website	

Legislation	Liquor Act 2007 (NSW) Public Finance and Audit Act 1983 (NSW) Fringe Benefit Tax Assessment Act 1986 (Cwlth) (FBT Act)
File number	UR12/1213

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1. Purpose

The purpose of this Directive is to outline the manner and extent to which UTS may provide entertainment to academic and support employees, students, donors, guests, visitors, volunteers and other individuals, to further the University's strategic objectives.

2. Scope

This Directive applies to all staff, students, contractors and visitors to the University, when undertaking any entertainment activities on or off campus. The scope extends to all entertainment activities defined by this Directive and provided in connection with University activities such as student programs or events, employee morale-boosting functions, official functions and business meetings.

3. Definitions

Entertainment is defined as the provision of any of the following hospitality items or activities that are paid for by the University: gifts, light refreshments, meals, official UTS functions, recreational activities, accommodation, travel.

- **Gifts** including flowers, gift baskets, UTS merchandise or other recognition gifts such as gift cards, tokens or vouchers given to staff.
- **Light refreshments** including morning and afternoon teas that consist of coffee and other non-alcoholic beverages, snacks, hors d'oeuvres, pastries, cookies, crackers, cakes, chips, fruit, etc.
- **Meals** including catered or restaurant-provided breakfast, lunch or dinner, at which employees, students or other individuals are present for the purpose of conducting University business. This includes groceries and beverages (alcoholic and non-alcoholic) purchased as part of, or making up, a catered or restaurant-provided event.
- **Official UTS functions** including any event or entertainment activity organised by UTS for the purposes of entertaining staff, students or visitors, showcasing UTS scholarship and/or research, contributing to staff and/or student

engagement, public engagement with UTS, awards or graduation ceremonies, and/or charitable or other fundraising functions.

- **Recreational activities** including amusement, sport or similar leisure-time pursuits, as well as those provided on, or by means of, a vehicle, vessel or aircraft (eg sightseeing tours, harbour cruises, joy flights).
- **Accommodation or travel** where they are provided in connection with, or for the purposes of, facilitating hospitality.

Tippling means the act of voluntarily giving an additional sum of money to service providers: a reward or gratuity.

University business includes any activity undertaken by UTS staff members and contractors in the course of their official duties, for the purpose of furthering the University's strategic and organisational objectives.

Visitor means any member of the public visiting UTS campus.

4. Directive principles

The University recognises that entertainment expenditure for student and staff functions can further its objectives, and that the provision of such hospitality is a legitimate business activity. Entertainment expenditure on non-UTS staff, contractors and students may be also undertaken in order to further the University's strategic objectives.

As a public sector related entity, it is incumbent upon UTS to ensure that public sector standards of accountability are maintained. Managers and supervisors must exercise good judgment in approving entertainment expenses. Expenses must be documented in line with iExpense procedures (see the [iExpenses User Guide](#) (PDF)) and available for both internal and/or external audit.

UTS exercises a duty of care in relation to the consumption of alcohol at University-funded lunches/dinners and encourages the responsible consumption of alcohol at all official functions. Refer to the [Guidance for the Service of Alcohol at UTS](#) (PDF).

Entertainment for the sole purpose of entertaining University staff is prohibited unless otherwise exempted in this Directive. Exceptions to this principle are annual Christmas parties, events recognising significant staff achievements, working lunches and morning/afternoon teas on University premises.

5. Directive statements

Expenditure in relation to entertainment is to be incurred in accordance with the requirements outlined in the [Standing Delegations of Authority](#) and the [Guidelines for Authorisations to Expend Funds under Delegation 1.2, General Expenditure](#) (PDF). Staff and supervisors are required to refer to these requirements prior to incurring an expense in relation to UTS-funded entertainment.

Managers and supervisors are to exercise good judgment in deciding on the frequency of, and appropriate expenditure for, employee entertainment. Such expenditure must be properly documented and available for scrutiny by internal and/or external audit.

5.1 Christmas parties

UTS-funded Christmas parties are subject to FBT. Faculties and divisions may provide an annual Christmas function subject to approval by the appropriate delegated officer within the approved budget limit. As a guide, a reasonable per

person budget limit at an external venue would be approximately A\$85 (excluding FBT) per person, including alcohol. If the function is on UTS campus, this per person amount is expected to be lower, as venue hire is not required.

5.2 Employee morale-boosting activities and special celebratory occasions

The University may pay or reimburse costs of modest meals or light refreshments associated with employee morale-boosting and appreciation activities where there are clear benefits in terms of training and/or staff morale. This includes:

- a celebration of a notable achievement by a division, faculty or group of staff
- outreach entertainment provided to students
- group bi-monthly or quarterly personal milestone celebrations such as birthdays, weddings.

Employee morale-boosting activities do not include recreational activities, as defined in section 3.

5.3 Gifts for UTS staff

It is generally accepted that gifts given to staff are to be funded by a voluntary staff collection. It is acceptable for gifts to be funded by UTS on occasion, subject to the approval by the appropriate delegated officer within the approved budget limit, when:

- a senior level staff member (level 10 and above) is departing the University, and/or
- a staff member has served five years or more.

Gifts received by UTS employees from external parties in the course of their official duties are covered by the [Gifts and Benefits Vice-Chancellor's Operational Directives](#).

5.4 Meals

5.4.1 External venues

The most senior UTS staff member from the unit hosting the meal is required to pay for the bill with their UTS corporate credit card.

Meals at external venues with official visitors and/or guests are subject to approval by the appropriate delegated officer within the approved budget limit. Staff should ensure that the choice of venue is reasonable and costs are appropriate for the type of function being held.

Meals at external venues with solely University staff (or with their family and friends) are not claimable as an entertainment expense.

5.4.2 Lunchtime meals and employee meetings

Meals and light refreshments may be provided during employee meetings when the available meeting time occurs between 12.00pm–2.00pm, or when the duration of the meeting is in excess of four hours.

Staff may also provide lunchtime meals and light refreshments to visitors and guests of the University when undertaking official business.

All meals and light refreshments are subject to approval by the appropriate delegated officer, within the approved budget limit.

5.4.3 Extended working hours

The University may pay for or reimburse meals or light refreshments where it is a requirement that staff work over and above their normal standard hours. Refer to [meal allowance during overtime](#) (section 6.3 of Pay and conditions on HR website).

5.5 Recruitment and training

The University may provide meals or light refreshments in connection with the recruitment of prospective employees who are under consideration for positions that require specialised training and/or experience of a professional, technical or administrative nature. Entertainment for recruitment purposes should be kept to a minimum.

The University may provide meals or light refreshments in connection with any staff training or development activities provided by UTS. Entertainment costs for the purposes of training should be kept to a minimum.

5.6 Staff farewells

Staff farewells may include the expenses for a function, meal or light refreshment and/or the purchase of a gift (see section 5.3).

It is generally accepted that staff farewell expenses are funded by a voluntary collection.

It is acceptable for staff farewells to be funded by UTS subject to approval by the appropriate delegated officer within the approved budget limit and where the circumstances fit the following criteria.

Criteria for UTS-funded staff farewells

Staff member circumstances	Entertainment type	UTS-funded
A departing staff member has served 10 years or more at UTS	Meal	Yes
Senior level staff (level 10 and above)	Meal	Yes
A departing staff member has served three years or more	Light refreshments	Yes
A staff member who has served less than three years	N/A	No

5.7 Staff at official UTS functions

The number of staff attending official UTS functions should be based on the requirements of the function.

The approving delegated officer is to exercise prudent business judgement in incurring expenditure for official functions on behalf of the University.

5.8 Entertainment while travelling

Some entertainment costs incurred while travelling on official University business are accepted. Refer to the [Travel Vice-Chancellor's Directive](#) and the [UTS Travel website](#).

5.9 Fringe Benefit Tax (FBT)

FBT is payable on certain entertainment expenditure by University staff, and is charged back to the UTS organisation unit responsible for the expenditure.

The effect of FBT is to double the cost of entertainment for the University. This should be taken into account in any decision to incur entertainment expenses. For further information, refer to the Fringe Benefit Tax section in the [UTS Tax E-Manual](#) (including the Meal Entertainment form).

5.10 Tipping

Consistent with expected standards of accountability and the efficient use of public sector funds, the use of University funds for tipping is not encouraged by the University.

The University does, however understand that there are some situations where tipping may be required. In such cases, the following applies:

1. **Australia:** the University will cover a maximum tip of 10 per cent of the total bill or a total of \$50 whichever is the lesser amount.
2. **Overseas:**
 - a. The University will cover a maximum tip of 10 per cent of the total bill.
 - b. Where national customs dictate higher tipping percentages, staff and their supervisor are to manage and agree to appropriate expenditure and acceptable tipping levels prior to any expenditure.

Individual members of the Senior Executive may set lesser guidelines, and are responsible for communicating these guidelines to their direct reports (Deans and Directors).

All staff should seek approval from their supervisor to tip, prior to incurring the expense. Monitoring compliance with this Directive's provisions on tipping is the responsibility of the approving supervisor, and not Accounts Payable or iExpenses staff in FSU. Any tipping that falls outside the provisions outlined in this Directive will not be reimbursed.

If a surcharge is applied to the bill by an establishment (eg a public holiday surcharge, service fee for large groups, etc.) tipping in addition to this surcharge will not be met by the University, irrespective of the tipping customs of the country in which the expense was incurred.

5.11 Claims and reimbursement

Entertainment expenses are required to be substantiated by original invoices and receipts.

To claim the relevant goods and sales tax (GST), a valid tax invoice is required for expenditure in excess of A\$75.

For information on:

- use of the UTS corporate credit card, refer to the [Corporate Credit Card and Staff Reimbursement Vice-Chancellors Directive](#)
- how to reclaim out of pocket expenses, refer to the [iExpenses User Guide](#) (PDF).

A [Meal Entertainment form](#) (Excel) must be completed for expenditure that is classified as meal entertainment in [FBT Act](#).

For further information, if meal entertainment is incurred:

- through a tax invoice to Accounts Payable, refer to the [Meal entertainment](#) section of the UTS Tax E-Manual
- via your credit card, refer to page 21 of the [iExpenses User Guide](#) (PDF).

6. Roles and responsibilities

Accountable Officer: Deputy Vice-Chancellor (Resources).

Implementation Officer: Finance Manager, Financial Services Unit.

Other positions and committees:

The main tasks for the key persons responsible for incurring, authorising and paying entertainment expenditure are as follows:

UTS staff

- Incur entertainment expenditure as per the requirements of this Directive.
- Where entertainment attracts FBT, refer to the UTS Tax E-Manual and complete the Meal Entertainment form as per the guidelines in the iExpenses User Guide.

Delegated officer approving the entertainment expenditure

- Review and approve correctly incurred entertainment expenditure as defined and outlined in this Directive.
- Where entertainment attracts FBT, ensure a Meal Entertainment form is completed and signed, as per sections 5.9 and 5.11.

Accounts Payable

- Process entertainment invoices for payment incurred in line with this Directive.
- Where entertainment attracts FBT, ensure the Meal Entertainment form is attached or included on credit card acquittal documentation.

7. Acknowledgments

Australian Taxation Office (ATO).

8. Version control and change history

Date	Version	Approved by	Amendment
17/09/2012	1	Vice-Chancellor	New directive.
19/12/2013	2	Vice-Chancellor (29/12/2013)	Updates to definitions, tipping guidelines, fringe benefit tax and other edits.