Hospitality Procedure

Section 1 – Purpose

(1) This Procedure supports the *Finance Governance Policy* and sets out the requirements for University of Canberra (University) employees in the expenditure of University funds for hospitality purposes. It is intended to establish a framework to ensure that:

a. there is a consistent approach to expenditure on official hospitality across the University;

b. expenditure on official hospitality is in accordance with the University's objectives; and

c. standards on accountability for the expenditure of University funds are maintained and publicly defensible.

(2) This procedure is not expected to cover every situation that may arise. Staff members should discuss questions relating to proposed hospitality with their supervisor prior to entering into any arrangements or incurring expenditure.

Section 2 – Scope

(3) This Procedure applies to all the University staff and its controlled entity staff, including any person employed or engaged by the University and its controlled entity in a permanent, contractual, or voluntary arrangement, and Council members.

Section 3 – Policy

(4) This Procedure supports the *Finance Governance Policy*.

Section 4 – Procedures

Reasonable, appropriate and essential expenditure

(5) Before incurring expenditure on hospitality, staff must determine whether the expenditure would be reasonable, appropriate and essential to furthering the official business of the University.

(6) In majority of cases, where practical, such hospitality will occur at the University's own restaurants and cafes, thus reducing the University's exposure to Fringe Benefits Tax (FBT) obligation.

(7) Other types of expenses considered reasonable as official hospitality expenditures include:

a. morning and afternoon teas including tea, coffee, juices, cakes and biscuits excluding alcohol, or similar for official visitors;

b. breakfast, lunch, and dinner involving visitors with no alcohol consumed;

c. tourist activities and entertainment events, such as concerts, graduations and exhibitions, which relate to the activities of the University; and

d. light refreshments provided for internal meetings, conferences, workshops and seminars.

(8) Sometimes, it may be appropriate to provide hospitality at functions attended only by University staff, and where there are clear benefits for training and/or staff morale. Examples include:

a. a celebration of a notable achievement by a staff member or a group of staff;

b. farewells to retiring staff;

c. training programs, planning days or workshops;

d. recognised University-wide events; and

e. community festivals such as Christmas.

(9) Sometimes, the hospitality may include the giving of a small gift or token of appreciation, (such as flowers to celebrate the retirement or departure of a valued and/or long-serving staff member). The officer identified in the Responsibilities section may authorise the cost of such a gift to be met by the University, up to a total value of the dollar amount recognised in the FBT legislation for minor benefits (at the date of this procedure, the recognised amount is $300, excluding GST).

Inappropriate expenditure

(10) Tipping on hospitality in Australia is not encouraged and should only be done in exceptional circumstances. However, the University recognises that tipping culture differs between countries overseas. Where it is custom to do so, tipping at the average percentage for the country is acceptable.

(11) Club membership, airline lounge membership or entrance fees must not be purchased.

(12) Participants at functions should normally be restricted to University staff and individuals who it is believed will contribute to the University's objectives. This excludes partners and/or relatives of staff members. On occasions, attendance at such functions by a staff member's partners and/or relatives may be appropriate. Prior approval for attendance by partners and/or relatives must be obtained from one of the officers nominated in the Responsibilities section of this Procedure.

Fringe Benefits Tax (FBT)

(13) Staff must consider the FBT implications that expenditure on hospitality will have for the University.

(14) FBT is imposed on that portion of taxable hospitality expenditure that relates to the provision of meals, refreshments, entertainment and so on to University staff or partners and/or relatives. FBT on official catering may be payable even where the food and beverages are supplied internally. It is not payable on morning or afternoon teas or light lunches where alcohol is not served; however, these would need to be consumed at the place of work rather than a specialised entertainment area. Detailed guidelines and advice on application of FBT is available in the University's *FBT Guide*.

Expenditure approvals

(15) Expenditure on hospitality must be approved in accordance with the University's financial delegations in the *Delegations of Authority Schedule* attached to the University's *Delegation of Authority Policy*.

(16) It is the responsibility of the delegated approver to determine the nature and extent of hospitality provided.

(17) Decisions on the expenditure of University funds on hospitality rest with the Vice-Chancellor and senior executives of the University, Deans and heads of administrative services and other staff with delegated authority.

(18) Staff delegated to approve hospitality expenditure are required to have a thorough understanding of the substantiation requirements and procedures surrounding the payment of such costs to ensure that the University is not in breach of taxation regulations, especially regulations and procedures relating to Fringe Benefits Tax (FBT). If an expenditure on hospitality is subject to FBT:

a. maintain appropriate documentation to substantiate the expenditure; and

b. send a duly authorised copy of the University's *FBT Form* to the Finance team with the invoice or payment documentation.

(19) Delegated staff members must not approve expenditures or reimbursements for themselves. All authorisations should be by a person in a higher position.
*(**Note:** It may be appropriate at some official functions for the most senior University officer present to pay for the hospitality with a corporate credit card or private credit card and seek reimbursement. All such claims need to be signed off by a person in a higher position.)*

(20) A staff member should discuss the proposed hospitality with their supervisor prior to entering any arrangements or incurring expenditure.

Stocks and consumption of alcohol

(21) Stocked liquor cabinets for small-scale entertainment may be maintained if they are provided primarily for offering hospitality to external clients, and are not used for functions exclusively involving University staff.

(22) Stocked liquor facilities, including office bar fridges, must be approved by a member of the senior executive, Dean or Director. Such appliances must be tested and tagged prior to use.

(23) All alcohol consumption on campus must be in accordance with the *University of Canberra (Liquor) Statute 2015* and the *University of Canberra (Liquor) Rules 2023*.

Receiving hospitality

(24) When accepting hospitality, avoid any actual, perceived or potential conflict of interest in line with the University's *Conflict of Interest (COI) Policy*. Such situations should not be perceived or construed as providing an incentive for any commercial transactions or as a reward or payment for past transactions.

(25) Hospitality or benefits provided by a third party may incur FBT liabilities.

Section 5 – Responsibilities

WHO	RESPONSIBILITIES

Delegated Approver	• Determining the nature and extent of hospitality provided.
	• Approving the expenditure incurred, or to be incurred, being satisfied that:
	  ○ it is in relation to official duties;
	  ○ it is reasonable, appropriate; and
	  ○ it is publicly defensible.

Internal Auditor	• Conducting periodic reviews of hospitality expenditure to ensure compliance with this procedure.
Staff	• Ensuring hospitality expenses are related to official duties, appropriate, and publicly defensible.

Section 6 – Associated information

Legislation, standards and codes

- Financial Management Act 1996 (ACT)
- Fringe Benefits Tax Assessment Act 1986 (Cth)
- University of Canberra (Liquor) Rules 2023
- University of Canberra (Liquor) Statute 2015
- University of Canberra Act 1989 (ACT)

University documents

- Delegation of Authority Policy
- Delegations of Authority Schedule (Staff Portal)
- Finance Governance Policy
- Fringe Benefits Tax (FBT) Form (Staff Portal)
- Fringe Benefits Tax (FBT) Guide (Staff Portal)

Website links

NIL

Section 7 – Definitions

TERM	DEFINITION
Fringe Benefits Tax (FBT)	Fringe benefits tax (FBT) is a tax paid by employers on certain benefits provided to their employees, or to their employees' family or other associates. (Australian Taxation Office definition)
Hospitality	Hospitality is: • the provision of meals or refreshments to persons who are visiting the University for business reasons including the press and other media, representatives of government, business or industry, and recognised community organisations; • the organisation of other functions that further the objectives of the University; or • the entertainment of individuals at special events conducted at the University or other locations.

Status and details

Status	Current
Effective Date	1 January 2026
Review Date	1 January 2031
Approval Authority	Vice-Chancellor
Approval Date	17 December 2025
Custodian	Chief Operating Officer
Responsible Manager	Chief Financial Officer
Enquiries Contact	policy@canberra.edu.au