

Monash University Procedure

Procedure Title	Fringe Benefit Tax – Entertainment Procedures (Australia Only)
Parent Policy	Fringe Benefits Tax (Australia) Policy
Date Effective	10-July-2015
Review Date	20-September-2011
Procedure Owner	Divisional Director, Corporate Finance
Category	Operational procedure
Version Number	2.0
Content Enquiries	Finance Policy - finpol@monash.edu.au
Scope	All Australian campuses All Australian staff members
Purpose	To ensure the University complies with Australian Fringe Benefits Tax (FBT) legislation and rulings.
PROCEDURE STATEMENT	

Entertainment by way of food and drink and / or recreation provided to an employee or an associate of an employee by an income tax-exempt employer may be a tax-exempt body entertainment benefit. Such a benefit will generally be a fringe benefit and subject to fringe benefits tax at the current rate of tax. The requirements outlined in this Procedure will enable the University's fringe benefits tax liability on entertainment to be determined.

Information on FBT and its application to entertainment by way of food and drink and recreation is available at <http://intranet.monash.edu.au/finance/taxation/fringe-benefits-tax/index.html>

Food and Drink

All expenses relating to food, drink and entertainment are to be purchased using the Monash Corporate Credit Card, Monash preferred caterers, petty cash or privately by an employee and reimbursed.

Responsibility

Employee incurring expense

Purchase orders must **never** be used for food, drink and entertainment expenses.

Responsibility

Procedure to Payment Staff

The information below must be provided for each food, drink and entertainment occurrence or event that is paid for with University funds or FBT will be charged on the whole expense: -

- Cost centre and fund
- Date of event

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- Details and purpose of the event
- Location and time of the event
- Was the event a social function (eg. Christmas party, awards function, farewell)
- Number of employees in attendance
- Number of clients in attendance
- Number of associates in attendance
- Was alcohol served
- Was it a sit down meal or finger food and light snacks
- Was the event an eligible seminar
- Where the event was open to the public, was a charge made for the event, including the staff members in attendance
- Where the cost of food and drink is the predominant part of a seminar or conference, a copy of the program must be attached to determine whether the event was an eligible seminar
- Was the employee travelling on business involving an overnight stay

However where the following are completed, sufficient information will be deemed to have been provided by the employee incurring the expense:

- Catering information sheet
- Relevant Concur food, drink or entertainment screen
- Expense Management Form (credit card processing, reimbursement claiming and cash advance processing)
- Reimbursement Claim Form
- Petty cash voucher

Responsibility

Employee incurring expense

Recreation

All expenses relating to recreation are to be purchased using the Monash Corporate Credit Card, petty cash or privately by an employee and reimbursed.

Responsibility

Employee incurring expense

Purchase orders must **never** be used for food, drink and entertainment expenses.

Responsibility for implementation	Senior Vice-President Finance & CFD Executive Director, Corporate Finance
Status	Revised

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Approval Body	<p>Operational procedure: Vice-President (Finance)</p> <p>Name: N/A</p> <p>Date: 10-July-2015</p> <p>Author: N/A</p>
Definitions	<p>Associate: widely defined and includes relatives, partners, spouses and children of the employee or partner</p> <p>ATO: Australian Taxation Office</p> <p>Client: a non-employee, including students and visitors</p> <p>Eligible Seminar: As defined by the Income Tax Assessment Act 1997, Section 32-65. A conference, convention, lecture, meeting, award presentation, speech, question-and-answer session, training session or educational course - the content of which must be relevant to the employees' employment. It must have a continuous duration of four hours or more. Meals, rest or recreation breaks are not to be included in determining its duration. Business discussions undertaken in the normal course of the day do not constitute an eligible seminar</p> <p>Employee: a current employee, a future employee; or a former employee</p> <p>FBT: Fringe Benefits Tax</p> <p>Food and drink: The provision of food and drink to an employee in most instances is considered to be a meal entertainment benefit and may be subject to FBT</p> <p>Recreation: FBT is always applicable where the University pays for the cost of an employee's recreation expenses. Examples include cinema/movie tickets, 10 pin bowling, cruises, golf/mini golf, sightseeing tours, visits to zoos, recreation attached to conferences or agendas</p>
Legislation Mandating Compliance	<p>Fringe Benefits Tax Act 1986</p> <p>Fringe Benefits Tax Assessment Act 1986</p>
Related Policies	<p>Conduct and Compliance Procedure - Entertainment</p>
Related Documents	