

Monash University Procedure

Procedure Title	Fringe Benefits Tax – Expense Payments 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
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	

An expense payment fringe benefit may arise in either of two ways:

- where the employer reimburses an employee for expenses they incur, or
- where the employer pay's a third party in satisfaction of expenses incurred by an employee.

In either case the expenses may be business expenses or private expenses, or a combination of the two. Fringe benefits tax will usually be incurred where Monash pays for the private portion of the expense.

Note: a mobile phone owned by the employer and primarily for use in the course of an employee's work is an exempt benefit.

Expense Payments Fringe Benefits

Where the University reimburses an employee for expenses, an [Expense Payment Declaration](#) or [Recurring Fringe Benefit Declaration](#) substantiating the business nature and usage of the employee's expenditure must be provided and attached to all expense payment claims or Concur records in order to reduce the taxable value of the expense.

Where a department chooses to allow an employee to submit a [Recurring Fringe Benefit Declaration](#) it will be the responsibility of that employee to provide the declaration if requested and ensure that a new declaration is completed after five years or if the usage varies by more than 10%.

Employees should be prepared to substantiate their declaration with at least four weeks of diary entries recording all usage especially where business use is reported to be high.

All expense payments must be either reimbursed or paid via a Monash Corporate Credit Card. Monash must not be directly invoiced for these expenses.

Responsibility

Employee being reimbursed

Monash University Procedure

Responsibility for implementation	Senior Vice-President Finance & CFD Executive Director, Corporate Finance
Status	Revised
Approval Body	Name: Vice-President (Finance) Date: 10-July-2015 Author: Taxation Manager
Definitions	
Legislation Mandating Compliance	Fringe Benefits Tax Act 1986 Fringe Benefits Tax Assessment Act 1986
Related Policies	Global Taxation Policy Corporate Credit Card Policy
Related Documents	