

# ENTERTAINMENT PROCEDURE

## SCOPE

This procedure is applicable to all staff of the University's Australian campuses, herein collectively referred to as 'you' for the purpose of this procedure.

## PROCEDURE STATEMENT

Entertainment is recognised as necessary to promote Monash University to commercial and philanthropic benefactors and to engage with staff, colleagues and stakeholders to further our strategic objectives.

The University ('us', 'our' or 'we') adopts a conservative approach to entertainment to minimise expenditure to the level necessary to achieve stated objectives and to avoid any perception of extravagance by stakeholders.

Refreshments and meals are provided to staff members and guests in a style and location to minimise the imposition of Fringe Benefits Tax (FBT), where possible. Entertainment expenses for staff and associates are deemed to be a benefit to the staff member and incur the additional cost of FBT, which effectively doubles the cost of the entertainment.

The purpose of this procedure is to advise staff on the circumstances under which entertainment expenditure is deemed appropriate and to guide staff incurring such expenditure.

## 1. Authorisation of entertainment expenditure

1.1 If you incur entertainment expenditure, you must:

- demonstrate that the cost is appropriate and reasonable in the circumstances, including that the number of staff attending is necessary to advance our business or where we will benefit from their attendance;
- provide complete documentation, including a detailed explanation of the purpose and the benefits accruing to us from the activity; and
- obtain proper authorisation and sign off by your supervisor, including prior approval from the Dean or Executive Director for entertainment of associates.

1.2 The cost of the entertainment should not exceed \$150 per head. If you intend to spend more than \$150 per head, you must notify your supervisor.

1.3 Authorising officers must ensure that any claim for payment or reimbursement of entertainment expenditure is:

- appropriate and reasonable in the circumstances, including that the number of staff attending is necessary to advance our business or where we will benefit from their attendance
- properly supported by complete documentation, including a detailed explanation of the purpose and the benefits accruing to us from the activity; and
- approved by the Dean or Executive Director prior to incurring the entertainment expenditure.

1.4 Where the cost of the entertainment exceeds \$200 per head, the Dean or Executive Director must provide a written report of the entertainment to the Vice-Chancellor on a monthly basis.

## 2. Payment for entertainment and reimbursement claims

2.1 If you are the most senior staff member present, you are responsible for the payment of any entertainment expenses on a corporate credit card.

2.2 You should refer to the [Fringe Benefits Tax – Entertainment Procedures \(Australia Only\)](#) in order to minimise the imposition of FBT and ensure that all relevant details are recorded and appropriate procedures are followed.

- 2.3 [FBT](#) will be charged on the whole amount unless the number of staff members, associates and non-staff members who attended the function is clearly indicated.
- 2.4 All expenses relating to entertainment are to be processed using the Monash Corporate Card, Monash Club account or by seeking reimbursement through [Concur](#). Purchase orders should never be used for processing entertainment expenses.

### 3. Tipping expenditure

- 3.1 Although tipping is not generally encouraged, it is permissible to tip in circumstances where local custom and practice indicate that tipping is appropriate.
- 3.2 If you are the most senior staff member present, the responsibility for tipping and paying the bill on the corporate credit card falls to you, or your delegate. You or your delegate should use your discretion and judgement in determining when tipping is appropriate, and to what extent, giving due consideration to the particular customs and expectations of the situation or country you are in.

### 4. Breach of procedure

- 4.1 We treat any breach of our policies or procedures seriously. We encourage reporting of concerns about non-compliance and manage compliance in accordance with the applicable Enterprise Agreement or contract terms.

## DEFINITIONS

<a href="#">Associates</a>	A relative, partner, spouse or child of a staff member or their partner.
<a href="#">Concur</a>	The University's online expense management system. It is used for reimbursements and corporate credit card reconciliations.
<a href="#">Dean or Executive Director</a>	The Dean of the Faculty or Executive Director of a Division or nominee in any case where the Dean or Director has formally nominated a person to act as their nominee for the purpose.
<a href="#">Entertainment expenditure</a>	The provision of meals, refreshments and recreational activities other than staff amenities, refreshments, and meals whilst travelling and includes: <ul style="list-style-type: none"> <li>• breakfasts, lunches and dinners off-campus;</li> <li>• official functions, receptions, farewells, retirement functions (social functions);</li> <li>• conference dinners held locally (Please note, if conducted whilst interstate or overseas, conference dinners are considered meals whilst travelling).</li> </ul>
<a href="#">Fringe Benefits Tax (FBT)</a>	Tax payable to the Australian Taxation Office (ATO) by the University on that portion of the expenditure which relates to the provision of benefits to University staff (or their associates). Entertainment benefits include meals, refreshments to University staff (or their associates). The following general rules apply to the determination of "taxable" entertainment. <ul style="list-style-type: none"> <li>• Meals and drinks provided to staff at an in-house dining facility on a business day are exempt from FBT, except for social functions.</li> <li>• Meals and drinks provided to staff at on-campus restaurants on a business day are exempt from FBT if paid by the corporate credit card. If a staff member pays and seeks reimbursement FBT will be applicable.</li> <li>• The cost of entertainment provided to staff at off-campus venues is taxable on their and their associates' portion of the total bill. Light refreshments provided on University premises do not attract FBT - except where alcohol is consumed.</li> <li>• "Eligible seminars" are exempt from FBT (i.e. conferences, conventions, lectures, meetings, award presentations, speeches, question and answer sessions, training sessions or educational courses). These seminars must have a continuous duration of 4 hours or more (excluding breaks), must not be associated with the promotion; or advertising of the business and its services, and their sole or dominant purpose must not be for the provision of entertainment.</li> </ul>
<a href="#">Meals whilst travelling</a>	The cost of meals incurred by staff whilst travelling on official University business, unless there is other entertainment such as a floor show, dancing, or live band (refer to <a href="#">International Travel (Australian-based staff) procedures</a> ).
<a href="#">Staff</a>	A person employed by the University who has an ongoing or fixed term contract under the terms of the Monash University Enterprise Agreement. Past and prospective staff are treated as staff members of Monash University for FBT assessment purposes. Contractors are excluded from the definition.

Staff amenities and refreshments	Includes non-alcoholic drinks and finger food to be consumed on University premises. This food and drink is provided for morning and afternoon work breaks, business meetings and training sessions. This category includes meals served to staff in an "in-house dining facility" during business hours, except at a social function.
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## GOVERNANCE

Parent policy	<a href="#">Integrity and respect</a>
Supporting schedules	N/A
Associated procedures	<ul style="list-style-type: none"> <li>• <a href="#">International Travel (Australian-based staff)</a></li> <li>• <a href="#">Fraud and Corruption: Reporting</a></li> <li>• <a href="#">Fraud and Corruption: Control</a></li> <li>• <a href="#">Fringe Benefits Tax – Entertainment (Australia Only)</a></li> <li>• <a href="#">Corporate Credit Card and Reimbursements</a></li> </ul>
Legislation mandating compliance	N/A
Category	Human Resources
Approval	Chief Human Resources Officer as delegate of the Chief Operating Officer - 1 June 2015
Endorsement	Director, Workplace Relations – 1 June 2015
Procedure owner	Director, Workplace Relations
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Content enquiries	<a href="#">ask.monash</a> or phone Monash HR on (03) 990 20400