

# ENTERTAINMENT PROCEDURE

## PURPOSE

Entertainment is recognised as necessary to promote the University to commercial and philanthropic benefactors and to engage with employees, 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 employees and guests in a style and location to minimise the imposition of Fringe Benefits Tax (FBT), where possible. Entertainment expenses for employees and associates are deemed to be a benefit to the employee and incur the additional cost of FBT, which effectively doubles the cost of the entertainment.

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

## SCOPE

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

## PROCEDURE STATEMENT

### 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 employees 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 employees 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 employee 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 employees, associates and non-employees 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 employee 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 an employee 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="#">Employee</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 employees are treated as employees of Monash University for FBT assessment purposes. Contractors are excluded from the definition.
<a href="#">Entertainment expenditure</a>	<p>The provision of meals, refreshments and recreational activities other than staff amenities, refreshments, and meals whilst travelling and includes:</p> <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>	<p>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 employees (or their associates). Entertainment benefits include meals, refreshments to University employees (or their associates). The following general rules apply to the determination of "taxable" entertainment.</p> <ul style="list-style-type: none"><li>• Meals and drinks provided to employees 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 employees at on-campus restaurants on a business day are exempt from FBT if paid by the corporate credit card. If an employee pays and seeks reimbursement FBT will be applicable.</li><li>• The cost of entertainment provided to employees at off-campus venues is taxable on their and their associates' portion of the total bill.</li></ul>

- Light refreshments provided on University premises do not attract FBT - except where alcohol is consumed.
- “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.

Meals whilst travelling

The cost of meals incurred by employees whilst travelling on official University business, unless there is other entertainment such as a floor show, dancing, or live band (refer to [International Travel \(Australian-based staff\) procedures](#)).

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 employees in an "in-house dining facility" during business hours, except at a social function.

## ADMINISTRATION

Parent policy

[Integrity and respect](#)

Supporting policies

- [Employment conditions](#)
- [Equal opportunity](#)
- [Ethics Statement](#)
- [Fraud and Corruption](#)
- [Leave and wellbeing](#)
- [Pay, benefits and entitlements](#)
- [Probation, performance and promotion](#)
- [Recruitment and appointment](#)

Supporting procedures

- [International Travel \(Australian-based staff\)](#)
- [Fraud and Corruption: Reporting](#)
- [Fraud and Corruption: Control](#)
- [Fringe Benefits Tax – Entertainment \(Australia Only\)](#)
- [Reimbursements: Petty Cash \(Australia only\)](#)
- [Reimbursement \(Australia only\)](#)

Supporting documents

- [Concur Expense Management System](#)
- [Fringe Benefits Tax Calculation](#)

Legislation mandating compliance

Responsibility for implementation

Approval body

Chief Human Resources Officer

Procedure owner

Director Workplace Relations

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Review date

3 years from effective date

Category

Human Resources

Version number

5

Content enquiries

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