



## Chief Executive Financial Instruction No. 5

### Official Hospitality / Meeting Expenses and Gifts

#### Document Information

**Audience**

All Staff

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**Document revised by**

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#### EXECUTIVE SUMMARY

Persons in the Suburban Land Agency (the Agency) who are engaged on an executive contract may approve hospitality expenditure up to a maximum of \$200 (including Goods and Services Tax (GST)) per event or meeting. Expenditure is to be approved prior to the event or meeting and the organiser is required to determine any GST and Fringe Benefit Tax (FBT) implications.

Amounts exceeding the maximum threshold expenditure for hospitality and meetings, and expenditure on gifts exceeding \$50 (including GST) must be approved by the Chief Executive Officer (CEO).

Alcohol must not be provided without the approval of the CEO.

Gift declarations must be completed within fourteen (14) days of the gift, benefit or offer of hospitality being given or made, and forwarded to the relevant delegate for notification and determination purposes.



## 1. Obligations Under This Instruction

### 1.1 Overview

The Agency has implemented this instruction to ensure that public money is only spent where it will foster the efficient conduct of public business or promote the public interest.

This instruction is to assist authorised Agency officers to discharge the CEO’s responsibility in relation to hospitality and meeting expenditure. Examples of what constitutes these expenses are provided in sections below.

As a general principle, public money should not be used to provide hospitality for ACT Government officers. The number of ACT Government officials attending an Agency function involving official hospitality should be restricted to those who would be able to advance the interests of the Agency, or where the Agency would benefit from their attendance.

The level of hospitality and cost incurred should be related in a sensible manner to the level of importance of the visitor(s) and the benefits accrued to the Agency.

### 1.2 Responsibilities and Accountabilities

The primary responsibilities and accountabilities in relation to hospitality rest with the following:

Position	Responsibility
CEO	<ul style="list-style-type: none"> <li>control and reporting of expenditure on hospitality incurred by the Agency;</li> <li>decide whether expenditure on hospitality is a proper charge of public funds and approve expenditure over \$200 (including GST) per event or meeting;</li> <li>approve provision of hospitality for the purposes of an employee function, for example customer service awards;</li> <li>approve provision and consumption of alcohol;</li> <li>decide on the retainment of gifts or benefits by the recipient if the value is greater than \$100 (including GST);</li> <li>seeks the Chief Financial Officer (CFO) approval for any gifts or benefits offered to the CEO; and</li> <li>approve expenditure for gifts for presentation externally by the Agency’s staff, exceeding the value of \$50 (including GST).</li> </ul>
CFO	<ul style="list-style-type: none"> <li>review any gift or benefit offered to the CEO to determine if the gift or benefit constitutes a conflict of interest or its acceptance could give the appearance of undue influence if it is accepted by the CEO; and</li> <li>forward gifts or benefits approval request by the CEO to the Agency’s Business Operations Manager (BOM) if the CFO determines the gift of benefit may constitute a conflict of interest or its acceptance could give the appearance of undue influence. The BOM is to forward the request to the Environment, Planning and Sustainable Development Directorate’s Senior Executive Responsible for Business Integrity Risk (SERBIR) for approval.</li> </ul>
Host	<ul style="list-style-type: none"> <li>represent the Agency and anticipate the needs of the internal and external guests.</li> </ul>
Person engaged on an executive contract	<ul style="list-style-type: none"> <li>decide whether expenditure on official hospitality is a proper charge of public funds and approve hospitality expenditure up to \$200 (GST inclusive) per event or meeting;</li> <li>CEO’s written approval is required where amounts exceed</li> </ul>



	<p>\$200 or where provision of alcohol is expected to occur, no matter what the value of the event is;</p> <ul style="list-style-type: none"> <li>• decide on the appropriate allocation of tickets / invitations to events specified in or linked to sponsorship agreements;</li> <li>• decide on the retainment of gifts or benefits by the recipient for those assessed to be of value over \$40 and up to \$100 (including GST). Note: a Director must seek an alternate approver’s decision in instances where they are the gift/benefit recipient;</li> <li>• facilitate the appropriate disposal of gifts or benefits deemed inappropriate for the recipient to retain. All hospitality expenditure is to be approved prior to the event; and</li> <li>• meeting expenses are different from hospitality expenses. Directors may approve expenditure for meetings to a limit of \$1,000 per event. Expenditure exceeding this amount must be approved by the CEO.</li> </ul>
Assessor (Manager/Director)	<ul style="list-style-type: none"> <li>• ensure proposed expenditure on hospitality, including any potential FBT, can be met by the business unit and recommend expenditure to the appropriate approver;</li> <li>• ensure significant hospitality and event attendance is recorded on the Gifts Register, which is accessed through the Business Operations Manager (BOM). The BOM forwards all records to the Environment, Planning and Sustainable Development Directorate;</li> <li>• assess value of gift or benefit received and decide whether to recommend retainment of gift to the appropriate approver; and;</li> <li>• ensure the recipient records the gift or benefit on the Gifts Register (if gift or benefit is valued greater than \$40 (including GST), or event attendance meets the specified criteria).</li> </ul>

### 1.3 Compliance

Failure to comply with this Instruction may result in a disciplinary matter and/or management performance reviews against the staff member. In extreme circumstances, non-compliance could result in financial fraud against the Agency. All officers within the Agency are therefore accountable to the CEO for the fulfilment of their responsibilities under these procedures.

### 1.4 Target Users

These procedural rules apply to all Agency staff.

## 2. Procedures

### 2.1 Official Hospitality

Hospitality expenditure should be for official purposes, appropriate to the role of the officer and to the purpose of the occasion. Officers providing the hospitality must be able to identify the benefit to the Agency, the Territory and the community in general. Any concerns or queries in this regard should be referred to the CEO.

Hospitality accounts submitted for payment must state the type of hospitality provided, the reason for the expenditure and the names of those for whom the hospitality was provided, for the purpose of determining FBT implications.

Note that there may be rare occasions where it is not considered appropriate to identify individuals for whom the hospitality was provided due to the sensitive or confidential nature of the business. On these occasions, a general description of the people involved (i.e.



industry represented etc) and numbers of people involved should be provided, together with an explanation as to why it was considered inappropriate to identify the individuals.

The range of functions for which official hospitality might be considered include:

- providing refreshments during or at the end of meetings with interstate visitors;
- providing meals or refreshments for visiting Government or industry officials;
- giving working meals to non ACT Government personnel;
- providing an official dinner or lunch to officials from interstate and/or overseas;
- holding an official reception for overseas officials;
- undertaking a sightseeing program for spouses of officials;
- providing lunch or dinner, plus other minor assistance, to officials from organisations engaged in business or government dealings with the Agency;
- fostering the efficient conduct of the Agency's operations; and
- promoting the Agency's activities, done in the public interest.

Specific exclusions from expenditure on official hospitality are:

- morning teas and working meals, as defined in the "meeting expenses" section below;
- staff development programs financed from professional development funds; and
- minor incidental expenditure for items such as tea, coffee, biscuits for servicing meeting rooms.

Refreshments under these circumstances should be regarded as incidental to the activity being performed and charged to the appropriate expenditure code, or as "meeting expenses" where the costs cannot be charged to a specific activity.

For all hospitality expenditure, a "Declaration for FBT" form must be sent to the Agency's Finance team to enable the correct determination of FBT liability for the Agency.

## **2.2 Purchase and Consumption of Alcohol**

The purchase and consumption of alcohol needs to be appropriate and integral to the business operations of the Agency and to the purpose of the event at which the alcohol is being consumed.

Functions at which it is appropriate for alcohol to be consumed may include official Agency functions, such as award ceremonies, launches and similar celebratory events.

Alcohol should not be consumed at meetings and functions that are attended solely by the Agency's staff. This requirement however may be waived at the discretion of the CEO when it can be demonstrated that the function is in the Agency's best interests.

In all cases, the consumption of alcohol should not be excessive so as to bring the reputation of individuals, the Agency, or the ACT Public Service into disrepute.

The CEO's written prior approval is required where the provision of alcohol is expected to occur.

## **2.3 Meeting Expenses**

Not all expenses associated with meetings constitute hospitality expenditure.

For example, light refreshments for meetings, such as tea, coffee and biscuits are to be charged to the meeting expense code.

Working meals during meetings are justified where:

- a meeting is scheduled over the normal lunch period because all attendees are available at that time;
- the meeting is scheduled for a full day and cost advantages accrue in continuing working through the lunch break; or
- officials from at least one other Agency are present at the meal with the purpose of transacting business.



Working lunches should be taken at the work/meeting location and not be a regular occurrence. In general, expenditure is to be limited to light refreshments, such as sandwiches, fruit, and non-alcoholic beverages.

#### **2.4 Official Ceremonies**

Expenditure on official ceremonies, for example, a presentation ceremony, or a donation to other entities to assist with an opening ceremony, are not official hospitality.

Expenditure for official ceremonies must be approved at the Executive level (or above) to the limit of available funds.

#### **2.5 Gifts**

A gift may be given where a person (other than an ACT government officer) has performed a service which they have not received remuneration and a gesture of appreciation is appropriate. The value of the gift should be in keeping with the service provided.

Token gifts may be considered appropriate for situations such as international officials.

The use of public funds for the purchase of gifts for ACT Government officers is generally not permitted. The CEO may however, at his/her discretion, approve the purchase of minor gifts for or on behalf of staff in, but not limited to, the following circumstances:

- incentive, reward or recognition of significant achievement; and/or
- recognition of significant length of service on retirement/resignation.

In accordance with the ACT Public Service Code of Ethics, officers must not accept gifts or benefits (including hospitality) related to the performance of their official duties, without the approval of the CEO or their Delegate. Any officer accepting a gift from a person who has the potential to influence the officer could be placed in a difficult position. Even the appearance of influence may damage the officer's reputation or affect the public's trust in the Agency's independence and integrity. In accordance with the Agency's policies and guidelines, any gift of a value greater than \$25.00 accepted by an officer should be recorded on the Agency's Gift Register, which is accessed through the Agency's Business Operations Manager.

#### **2.6 Declarations**

Consistent with the ACT Government's Gifts, Benefits and Hospitality policy, gift declarations must be completed within fourteen (14) days of the gift, benefit or offer of hospitality being given or made, and forwarded to the relevant delegate for notification purposes. Failure by the relevant officer to appropriately notify the receipt of the offer of the gift or benefit within the allocated reporting timeframe may lead to misconduct and disciplinary action against the relevant officer.