



Department of
Education

EXPENDITURE ON HOSPITALITY POLICY

EXPENDITURE ON HOSPITALITY PROCEDURES

This PDF contains the following documents:

Document 1:

Expenditure on Hospitality Policy v2.3

Effective: 3 December 2014

Last Updated: 3 October 2018

Document 2:

Expenditure on Hospitality Procedures v2.5

Effective: 4 June 2019



Department of
Education

EXPENDITURE ON HOSPITALITY POLICY

EFFECTIVE: 3 DECEMBER 2013

VERSION: 2.3 FINAL

Last updated: 3 October 2018

1 POLICY STATEMENT

The Department of Education (the Department) requires all employees to use expenditure of public funds appropriately for hospitality.

2 POLICY RULES

Employees must:

- obtain prior approval, where required, for any expenditure on food and beverages for the purpose of entertainment, working meals, official events or social functions; and
- not incur any expenditure using Department/school funds on food and beverages in contravention of the *Expenditure on Hospitality Procedures*.

3 RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE

Senior Executive Officers, Regional Executive Directors, Principals, Directors, and Cost Centre Managers are responsible for the implementation of the policy.

The certifying officers are responsible for compliance monitoring before approving a payment for hospitality expenditure.

4 SCOPE

This policy applies to all Department employees.

5 SUPPORTING PROCEDURES

Expenditure on Hospitality Procedures

6 DEFINITIONS

HOSPITALITY

The provision of food, beverages and recreational activities by the Department/schools to employees and non employees.

7 RELATED DOCUMENTS

RELEVANT LEGISLATION OR AUTHORITY

Public Sector Commissioner's Circular 2009-18 Guidelines for Expenditure on Official Hospitality

RELATED DEPARTMENT POLICIES

Acceptance and Provision of Gifts Policy and Procedures

Alcohol on Public School Premises**OTHER DOCUMENTS**Hospitality Expenditure Application FormHospitality Expenditure Payment FormEntertainment Fringe Benefits**8 CONTACT INFORMATION**

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3 December 2016

10 HISTORY OF CHANGES

Effective date	Last update date	Policy version no	Ref no	Notes
22 August 2007		1.0	D11/0250433	Titled <i>Hospitality and Working Meals</i> .
3 December 2013		2.0	D13/0624827	v1.0 split into policy and procedures documents. New procedures and information added. D13/0344254

3 December 2013	30 January 2014	2.1	D14/0042058	Updated contact details. D14/0041911
3 December 2013	21 August 2015	2.2	D15/0333780	Updated links D15/0333770
3 December 2013	3 October 2018	2.3	D18/0436804	Minor changes to update position titles, related policies and contact information D18/0436808



Department of
Education

EXPENDITURE ON HOSPITALITY PROCEDURES

EFFECTIVE: 4 JUNE 2019

VERSION: 2.5 FINAL

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1 POLICY SUPPORTED

Expenditure on Hospitality Policy

2 SCOPE

This policy applies to all Department employees.

3 PROCEDURES

3.1 TYPES OF EXPENDITURE ON HOSPITALITY

3.1.1 OFFICIAL ENTERTAINMENT

Members of Corporative Executive, Executive Director School Curriculum and Standards Division and principals are authorised to incur entertainment expenditure for the reception and entertainment of:

- overseas and interstate visitors;
- visiting dignitaries; and
- members of the diplomatic or consular corps.

Members of Corporate Executive and principals may nominate any employee to act as the host on their behalf. In such instances, the nominated employee must apply for approval from the authorised employee to incur the expenditure (see [Hospitality Expenditure Application Form](#)).

Guidance

Entertainment expenditure may only be incurred in providing hospitality to the visitors when the Department or a school has an interest in, or obligation towards, facilitating the visit by the visitors. As a matter of protocol, the hospitality is usually hosted by a senior employee. The host may extend the hospitality reception to include other guests, including spouses or partners, where the protocol requires their presence.

Entertainment expenditure is not allowed to be incurred specifically for employees, associates, business and industry clients, volunteers and board/council/committee members.

Employees specifically authorised to incur entertainment expenditure are not required to apply for prior approval. However, they have to complete Part 1 to Part 4 of the [Hospitality Expenditure Application Form](#) for Fringe Benefits Tax purposes.

Depending on who the visitors are, entertainment expenditure may include dining and recreational activities such as cultural shows, sporting events and sightseeing tours. Alcohol may be provided if it is appropriate to the occasion, provided no students are in attendance. Gifts may be given where protocol requires the exchange of gifts. For procedures on the giving of gifts see [Acceptance and Provision of Gifts Policy and Procedures](#).

Hospitality may be held at any venue appropriate to the occasion. A Corporate or School Purchasing card may be used to pay for the entertainment expenses.

The cost of entertainment provided to employees and their partners, spouses and family members is subject to Fringe Benefits Tax (FBT). See section 3.2 for more details.

3.1.2 WORKING MEALS

Employees must:

- only incur expenditure on working meals to facilitate the conduct of official business;
- obtain prior written approval for the expenditure from the principal, director or above (see [Hospitality Expenditure Application Form](#));
- not include any recreational activities or alcoholic beverages as part of the working meal;
- provide the working meal at the place where the business activity is conducted, unless it is not practicable to do so; and
- avoid holding routine meetings where working meals are served as a regular occurrence.

Guidance

Working meals for business meetings (also includes training, workshops, seminars, conferences or professional development courses) are allowable in any of the following circumstances:

- *when a meeting has been scheduled which covers the normal lunch period because all participants would not have otherwise been available at the same time;*
- *when staff are required to work in groups through lunch or later at night;*
- *when a full day's meeting has been scheduled and there are cost advantages in continuing through the normal lunch break;*
- *when the meal is attended by officers from at least one other external agency or staff from other sites and is for the purpose of conducting business during the meal; or*
- *when the meeting lasts longer than four hours.*

Working meals may also be provided for meetings with business and industry clients, volunteers and board/council/committee members if any of the above circumstances is met.

Examples of appropriate working meals include:

- *finger foods such as sandwiches, rolls, pies, chicken pieces and spring rolls;*
- *fruit;*
- *fruit juices and soft drinks; and*
- *coffee, tea and biscuits.*

Working meals may be subject to FBT if they are provided away from the place of business activity. See section 3.2 for guidance.

3.1.3 OFFICIAL EVENTS

Employees must obtain prior approval from a Member of Corporate Executive, Executive Director School Curriculum and Standards Division or principal to incur any hospitality expenditure for an official event (see [Hospitality Expenditure Application Form](#)).

Guidance

Examples of an official event include but are not limited to:

- *a school anniversary celebration;*
- *graduation ceremony;*
- *award presentation;*

- school open day;
- and parents' night.

School balls and fundraising events are not considered as official events for the purpose of these procedures.

Schools may provide light meals and refreshments to staff, parents, students, community and volunteers for the event. Alcohol may be provided if it is appropriate to the occasion, provided no students are in attendance.

Depending on the nature of the event and the type of meals provided, expenditure for an official event may be subject to FBT. See section 3.2 for guidance.

3.1.4 SOCIAL FUNCTIONS

Employees must obtain prior written approval from the Director General or a Deputy Director General to incur any expenditure on social functions (see [Hospitality Expenditure Application Form](#)).

Employees must not:

- other than food and beverages, include any recreational activities or gifts as part of hospitality expenditure for a social function; or
- incur hospitality expenditure for the following social functions:
 - birthday, anniversary or New Year celebration;
 - religious festivals;
 - Melbourne Cup or similar events;
 - end of calendar/financial year celebration;
 - celebrating an employee's achievement; or
 - celebrating the successful completion of a task/project.

Guidance

Employees specifically authorised to incur expenditure on social functions are not required to apply for prior approval. However, they have to complete Part 1 to Part 4 of the Hospitality Expenditure Application Form for FBT purposes.

Social functions are generally related to the celebration of an occasion and they are usually of a private nature. There may be some exceptional instances where a social function may be held to commemorate or celebrate an occasion. When approving expenditure for a social function, consideration must be given if it is justifiable to use public funds for the occasion. It must be able to stand up to public scrutiny. Where appropriate, the approver should consider limiting the expenditure by placing certain conditions such as the number of people invited, the type of food and beverages served, the venue and the maximum amount allowed.

Alcohol may be provided if it is appropriate to the occasion, provided no students are in attendance. Food and beverages provided to employees on a social function is likely to attract FBT. See section 3.2 for guidance.

3.2 APPLICATION AND PAYMENT OF HOSPITALITY EXPENDITURE

Employees applying for hospitality expenditure must complete a [Hospitality Expenditure Application Form](#) for approval by the relevant authority.

For Central Office and regional education offices, employees must also complete the [Hospitality Expenditure Payment Form](#) when submitting the hospitality expenditure for payment.

All hospitality expenditure accounts submitted for payment must be accompanied by the following documents:

a) Central Office and regional education offices

i) Payment of invoice

The approved Hospitality Expenditure Application Form and the Hospitality Expenditure Payment Form must be attached to the invoice submitted to BCS Accounts Processing for payment.

ii) Clearance of Purchasing Card

The approved Hospitality Expenditure Application Form and the Hospitality Expenditure Payment Form must be attached to the Purchasing Card Journal for authorisation and clearance.

iii) iProcurement

A soft (scanned) copy of the approved Hospitality Expenditure Application Form and the Hospitality Expenditure Payment Form must be attached when creating a requisition in iProcurement.

The original (hard copy) of the approved Hospitality Expenditure Application Form and the Hospitality Expenditure Payment Form must be attached to the invoice submitted to BCS Accounts Processing for payment.

b) Schools

i) Payment of Invoice

The approved Hospitality Expenditure Application Form must be attached to the invoice for payment.

ii) Clearance of Purchasing Card

The approved Hospitality Expenditure Application Form must be attached to the School Purchasing Card Statement for clearance.

Employees responsible for payment of invoices and clearance of Corporate or School Purchasing cards must ensure that FBT liability is assessed and, if applicable, the amount is posted to the relevant mandatory account.

Guidance

Employees specifically authorised to incur hospitality expenditure have to complete Part 1 to Part 4 of the Hospitality Expenditure Application Form when submitting the invoice/purchasing card for payment processing.

Where multiple suppliers are involved in the provision of a hospitality event, a copy of the Hospitality Expenditure Application Form is to be attached to each of the invoices if they are submitted separately for payment. This requirement also applies to purchasing card clearance.

Fringe Benefits Tax may be payable for any food and beverages provided to employees and their partners, spouses and family members. The actual FBT liability will depend on the types of meals and beverages provided, when, where and why they are provided.

Due to the complexity of the FBT rules, employees processing the hospitality expenditure accounts should seek guidance from the Taxation Team Leader (BCS).

Guidelines on FBT for schools are also available on the Finance for Schools web site: [Entertainment Fringe Benefits](#).

4 DEFINITIONS

HOSPITALITY

The provision of food of any kind, beverages and recreational activities by the Department/schools to employees and non employees.

INCUR

To incur means to purchase or to procure. It does not take on the meaning used in the term 'incurring officer' as defined in *Treasurer's Instruction 304 Authorisation of Payments*.

5 RELATED DOCUMENTS

RELEVANT LEGISLATION OR AUTHORITY

Public Sector Commissioner's Circular 2009-18 Guidelines for Expenditure on Official Hospitality

RELATED DEPARTMENT POLICIES

Acceptance and Provision of Gifts

Alcohol on Public School Premises

OTHER DOCUMENTS

Hospitality Expenditure Application Form

Hospitality Expenditure Payment Form

Entertainment Fringe Benefits

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7 REVIEW DATE

4 June 2022

8 HISTORY OF CHANGES

Effective date	Last update date	Policy version no	Ref no	Notes
22 August 2007		1.0	D11/0250433	Titled <i>Hospitality and Working Meals</i> .
3 December 2013		2.0	D13/0624821	v1.0 split into policy and procedures documents. New procedures and information added. D13/0344254
6 January 2014		2.1	D14/0004252	Amendment to procedure 3.2 (a)(iii). Approved by Director General 23 December 2013. D14/0004248
6 January 2014	30 January 2014	2.2	D14/0042092	Updated contact details. D14/0041911
6 January 2014	21 August 2015	2.3	D15/0333781	Updated links D15/0333770
6 January 2014	3 October 2018	2.4	D18/0436807	Minor changes to update position titles, related policies and contact information D18/0436808

4 June 2019		2.5	D19/0115776	Major change approved at Corporate Executive by the Director General on 1 May 2019.
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