Hospitality Procedure

Section 1 - Purpose and Scope

(1) The University of Queensland (UQ or the University) is responsible for ensuring that funds are expended in the most efficient, effective and economic manner.

(2) The purpose of this Procedure is to identify the various types of hospitality at UQ and the approval levels for each.

(3) This Procedure applies to all UQ staff (including any person employed or engaged by UQ in a permanent, contractual, or voluntary arrangement) and Senate Members.

Context

(4) For the purposes of this Procedure, hospitality includes but is not limited to, the provision of:

a. food and beverages;
b. recreational activities (e.g. tickets to sporting or cultural events);
c. travel and accommodation (including taxis, rideshare services and bus hire); and
d. other incidental costs in providing food and beverages or recreational activities.

(5) Hospitality at UQ is categorised as:

a. Corporate hospitality – hospitality primarily for external groups and individuals not employed by the University.
b. Employee hospitality – hospitality with an internal focus, primarily for staff employed by the University.
c. Fee-for-service hospitality – hospitality at events that are organised by (or for) UQ and revenue is generated. These event/s will have an external focus and the revenue generated is beyond internal UQ funding.

(6) Refer to the Reportable Gifts and Benefits Procedure and the Conflict of Interest Policy when hospitality is offered by a person or group that is external to UQ.

Section 2 - Process and Key Controls

(7) Before incurring expenditure on hospitality, staff must determine whether the expenditure would be:

a. considered reasonable by community standards; and
b. able to withstand public scrutiny; and
c. is essential to furthering the official business of the University.

(8) Expenditure on hospitality must be:

a. approved in accordance with:
    i. UQ's Delegations Framework; and
    ii. any additional approval required under this Procedure; and

b. supported by adequate documentation recording the rationale and business needs for the expenditure to be incurred.

(9) Staff must consider the fringe benefits tax (FBT) implications that expenditure on hospitality will have for the University.

(10) The Finance and Business Services Division will review hospitality expenditure in UQ's financial systems (EMS Promaster and UniFi) to verify that University resources are spent for the intended and approved purpose.

Section 3 - Key Requirements

Part A - Fringe Benefits Tax (FBT)

(11) The provision of hospitality by UQ may have fringe benefits tax (FBT) implications, the consequences of which can significantly increase the cost of the hospitality being provided. Prior to incurring any hospitality expenditure, staff must refer to the relevant policies and procedures and finance resources (e.g. Hospitality Calculator) to determine if FBT obligations will arise. If FBT obligations do arise, staff should consider if alternative options are available that would not trigger an FBT obligation.

Part B - Tipping on Hospitality

(12) Consistent with expected standards of accountability and the efficient use of public sector funds, the use of UQ funds for tipping in Australia is not encouraged. Any tipping in Australia should be capped at no more than 10% of the service (e.g. the meal cost).

(13) UQ recognises that tipping culture differs between countries overseas. Where it is custom to do so, tipping at the average percentage for the country is acceptable.

Part C - Corporate Hospitality

(14) Corporate hospitality includes expenditure incurred by UQ:

a. to host and entertain external groups and individuals not employed by the University (e.g. corporate clients and stakeholders) where no fee is charged to participants, or where the fees charged cover less than 50 per cent of the cost; or
b. when UQ staff entertain donors, sponsors, collaborators, students, granting bodies, or other customers; or
c. when UQ staff entertain external parties while on business travel.

(15) Expenditure on corporate hospitality must only be incurred where it is essential to furthering the official business of the University. Corporate hospitality must not be used as a substitute for general business meetings that would ordinarily be conducted in the workplace.

(16) The attendance of UQ staff at corporate hospitality events must be limited to those with a direct involvement in the business being conducted.

(17) References in this section of the Procedure to authorised officers consists of:

a. Vice-Chancellor and President;
b. Provost and Senior Vice-President;
c. Deputy Vice-Chancellors;

d. Chief Operating Officer;
e. President of the Academic Board;
f. Pro-Vice-Chancellors;
g. Executive Deans;
h. Institute Directors;
i. Chief Financial Officer;
j. Chief Human Resources Officer;
k. Chief Marketing and Communication Officer;
l. Chief Information Officer;
m. Chief Property Officer;
n. University Librarian;
o. Academic Registrar;
p. General Counsel;
q. Dean, Graduate Research School;
r. Executive Director, Research Partnerships;
s. Faculty Executive Managers;
t. Deputy Directors (Operations); and
u. Chief Executive Officer (University Press).

Small Corporate Events (10 or Less Attendees)

(18) An expenditure limit of $180 per person per meal (excluding GST and FBT) applies to small corporate events. Expenditure below this limit must be approved by the relevant financial delegate. Expenditure above this limit must be approved by one of the Organisational Unit's relevant authorised officers.

(19) The $180 meal limit includes the cost of food and beverages but excludes related travel, accommodation or event hire costs.

Large Corporate Events (More than 10 Attendees)

(20) An expenditure limit of $50 per person per meal (excluding GST and FBT) applies to large corporate events. Expenditure below this limit must be approved by the relevant financial delegate. Expenditure above this limit must be approved by one of the Organisational Unit's relevant authorised officers.

(21) The $50 meal limit includes the cost of food and beverages but excludes related travel, accommodation or event hire costs.

Corporate Boxes and Tickets to Events

(22) Incurring expenditure for corporate boxes and tickets to sporting and cultural events must be approved by the Organisational Unit's member of the University Senior Executive Team (USET).

Liquor Cabinets

(23) Stocked liquor cabinets for small-scale entertainment may be maintained by members of USET on the basis that they are provided primarily for the purpose of offering hospitality to external clients and are not used for functions exclusively involving University staff.

Part D - Employee Hospitality

(24) Employee hospitality is expenditure incurred by UQ with an internal focus, to provide hospitality to staff employed by the University, and for events that are predominantly attended by University staff (e.g. food and beverages provided during training courses/workshops, strategy days, staff functions and celebratory events).

(25) References in this section of the Procedure to Employee Hospitality Approvers consists of:

a. President of the Academic Board;
b. Deputy Executive Deans;
c. Academic Deans;
d. Associate Deans;
e. Faculty Executive Managers;
f. Head of Schools;
g. School Managers;
h. Chief Executive Officer (University Press);
i. University Librarian;
j. General Counsel;
k. Directors;
l. Deputy Directors; and/or
m. Associate Directors.

(26) References in this section of the Procedure to authorised officers consists of:

a. Vice-Chancellor and President;
b. Provost and Senior Vice-President;
c. Deputy Vice-Chancellors;
d. Chief Operating Officer;
e. President of the Academic Board;
f. Pro-Vice-Chancellors;
g. Executive Deans;
h. Institute Directors;
i. Chief Financial Officer;
j. Chief Human Resources Officer;
k. Chief Marketing and Communication Officer;
l. Chief Information Officer;
m. Chief Property Officer;
n. University Librarian;
o. Academic Registrar;
p. General Counsel;
q. Dean, Graduate Research School;
r. Executive Director, Research Partnerships;
s. Faculty Executive Managers;
t. Deputy Directors (Operations); and
u. Chief Executive Officer (University Press).

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Working Meals

(27) Expenditure may be incurred for working meals, which may include morning and afternoon teas, where staff are required to:

a. work through normal meal periods or beyond normal business hours;
b. attend Organisational Unit meetings during normal meal periods;
c. attend internal training events (e.g. staff development programs); or
d. attend interview panels, working groups or committee meetings.

(28) An expenditure limit of $25 per meal per person (excluding GST and FBT) applies to working meals and must be approved by one of the Organisational Unit's relevant Employee Hospitality Approvers. Expenditure above this limit must be approved by one of the Organisational Unit's relevant authorised officers.

Tea, Coffee, Biscuits and Related Consumables

(29) Tea, coffee, biscuits and related consumables (e.g. milk, sugar) can be made available to employees in kitchen areas and during employee training events. Expenditure on such items should be modest.

(30) Coffee machines and related beans/pods will not be paid for by the University unless written approval has been obtained from the relevant member of USET.

Staff Celebrations and Events

(31) Expenditure may be incurred to provide hospitality for significant staff celebrations and events, including but not limited to:

a. celebration of significant business achievements or staff awards;
b. farewelling staff who have made a significant contribution to the University; and
c. Christmas parties, end-of-year functions or other social events that are of clear benefit to staff morale.

(32) An expenditure limit of $40 per person (excluding GST and FBT) for food and beverages applies to staff celebrations and events and must be approved by one of the Organisational Unit's relevant authorised officers.

(33) Expenditure above this limit must be approved by the Organisational Unit's member of USET.

(34) The celebration or event must be accessible to all employees within the relevant area. Consumption of any alcohol is in accordance with UQ's Alcohol and Other Drugs Policy.

Retreats, Strategy Days, Workshops

(35) Expenditure may be incurred for a retreat, strategy day/s or workshop, including those attended by students or other related individuals of UQ (e.g. unpaid title holders).

(36) This type of hospitality expenditure must be approved by the Organisational Unit's member of USET, irrespective of cost, for any that includes:

a. recreational activities; or
b. travel more than 60km from the Organisational Unit's primary work place; or
c. overnight accommodation.

(37) Approval requirements for retreats, strategy day/s or workshops that do not include any of the above are as per the expenditure limits in clauses 27-30 ('Working Meals' provisions).

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(38) IMPORTANT: staff must carefully consider the public scrutiny and community expectations of the University incurring expenditure on internal focused retreats, strategy days and workshops where it involves recreation activities, travel or overnight accommodation.

Conferences, Networking and Charity Events

(39) The below requirements apply to UQ staff and any related individuals that UQ has funded (e.g. UQ students or unpaid title holders) to attend a conference, networking or charity event.

Conferences

(40) Conferences may include hospitality as part of an all-inclusive registration fee. This Procedure does not apply in those instances as the costs are non-optional. The all-inclusive registration fee should be approved in line with other relevant policies and procedures.

(41) Expenditure may be incurred for hospitality (e.g. food and beverages and recreational activity) at external conferences that are charged as optional extras and not automatically covered by the event registration fee.

(42) An expenditure limit of $180 per person per meal (excluding GST and FBT) applies to optional conference meals. Any expenditure below this limit should be approved in line with other relevant policies and procedures. Expenditure on optional meals above this limit must be approved by one of the Organisational Unit's relevant authorised officers.

(43) An expenditure limit of $180 per person per activity (excluding GST and FBT) applies to optional conference recreational activities and must be approved by one of the Organisational Unit's Employee Hospitality Approvers. Expenditure on optional activities above this limit must be approved by one of the Organisational Unit's relevant authorised officers.

Networking Events

(44) Where networking events include hospitality (food or beverages), the cost for staff to attend the event will be covered by this Procedure (e.g. business luncheons, business breakfasts, Q&A/panel events with food or beverages).

(45) An expenditure limit of $180 per person (excluding GST and FBT) applies to networking events and must be approved by one of the Organisational Unit's Employee Hospitality Approvers. Expenditure above this limit must be approved by one of the Organisational Unit's relevant authorised officers.

(46) Where UQ is paying for a staff member as well as corporate clients/stakeholders to attend a networking event, refer to the 'Corporate Hospitality' part of this Procedure.

Charity Events

(47) Where charity events include hospitality (food or beverages), the cost to attend the event will be covered by this Procedure (e.g. purchasing a table at a charity function, purchasing tickets to a fundraising/charity event).

(48) An expenditure limit of $180 per person (excluding GST and FBT) applies to charity events and must be approved by one of the Organisational Unit's Employee Hospitality Approvers. Expenditure above this limit must be approved by one of the Organisational Unit's relevant authorised officers.

(49) Where UQ is primarily paying for non-staff to attend a charity event with a staff member (e.g. corporate clients/stakeholders), refer to the 'Corporate Hospitality' part of this Procedure.

Part E - Fee for Service Hospitality

(50) Fee for Service Hospitality is expenditure incurred where hospitality is provided at events that are organised by

(or for) the University and revenue is generated. i.e. has an external focus and is income generating.

(51) To be considered fee for service hospitality, the revenue generated must cover at least 50% of the anticipated costs of the event.

(52) Revenue generated from the event can be via:

a. a fee charged to participants;
b. sponsorship by a third party; or
c. funding from a third party (excludes internal funding from other Organisational Units of UQ).

(53) Expenditure considered fee for service hospitality must be approved by the relevant financial delegate.

(54) For hospitality provided at events that are attended predominantly by University employees and associates (even if a fee is charged) refer to the 'Employee Hospitality' part of this Procedure.

(55) For hospitality provided at events where the expected revenue or sponsorship is less than half of the cost of the event, refer to 'Corporate Hospitality' part of this Procedure.

Section 4 - Roles, Responsibilities and Accountabilities

UQ Staff

(56) All staff are responsible for:

a. complying with the hospitality requirements as set out in this Procedure, and any other advice or directive issued by the Taxation Unit;
b. recording their transactions in UniFi and EMS ProMaster and keeping appropriate supporting documentation for all hospitality decisions and transactions made by UQ; and
c. providing any relevant supporting documentation to the Taxation Unit or other areas of the Finance and Business Services Division when requested.

(57) Staff that approve hospitality expenditure are responsible for:

a. analysing and understanding the FBT implications and assessing the total cost of the expenditure incurred; and
b. ensuring expenditure complies with the Financial and Contract Sub-delegations Procedure and any relevant additional approval requirements set out in this Procedure.

(58) Staff that record or approve transactions in UniFi or EMS ProMaster, or manage budgeted expenditure, are responsible for:

a. understanding the FBT implications of hospitality transactions; and
b. allocating the expense to the correct hospitality account and obtaining and filing the appropriate supporting documentation for FBT purposes.

Section 5 - Monitoring, Review and Assurance

Taxation Unit

(59) The Taxation Unit is responsible for assessing staff compliance with this Procedure and relevant tax law requirements via a range of mechanisms including:

a. randomly auditing hospitality transactions; and
b. monitoring the FBT amounts payable on hospitality.

Compliance Officers and Financial Delegates

(60) Compliance officers and financial delegates are responsible for reviewing UniFi and EMS ProMaster data to ensure the coding of hospitality is correct before approving. This includes ensuring that the appropriate approval has been obtained in accordance with this Procedure.

Section 6 - Recording and Reporting

Substantiation Records

(61) Unless otherwise stated above, all expenditure on hospitality must be supported by relevant documentation that includes:

a. the number and names of attendees*;
b. the venue;
c. the cost as per the invoice;
d. the reason for the hospitality;
e. the signature of a person to certify that the hospitality expenditure was incurred in accordance with University policy and procedures; and
f. an attachment (e.g. email) showing approval where required.

*If there are more than 10 attendees and it is not practical to identify all attendees, an estimate is sufficient. However supporting documentation should be attached to show how this estimate was calculated.

(62) Where the expenditure is $75 or more, a valid tax invoice should be included as part of the supporting documentation.

(63) With the exception of hospitality that meets the controlled venue exemption, a Hospitality Calculator must be completed for expenditure $75 or more. Noting this calculator will capture the required substantiation noted above.

Reporting of Non-compliance

(64) The Taxation Unit will record non-compliant hospitality transactions and report to the relevant Finance Manager of any repeated staff non-compliance.

Section 7 - Appendix

Examples of Hospitality at UQ and Approval Requirements

(65) See the linked list of Examples of Hospitality at UQ and Approval Requirements.

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a. IMPORTANT: The example scenarios of hospitality at the link above are for the purpose of explaining the categorisation and approval requirements at the University.
b. These examples are not to be taken as encouragement or indicative of appropriate spending on hospitality.
c. The principles of the Hospitality Procedure must be adhered to when proposing hospitality expenditure at the University.

Related Policies and Procedures

(66) Related policies and procedures include:

a. Financial Governance Policy
b. Delegations Policy
c. Travel Policy
d. Financial and Contract Sub-delegations Procedure
e. Taxes Procedure
f. Reportable Gifts and Benefits Procedure
g. Conflict of Interest Policy
h. Alcohol and Other Drugs Policy.

Related Documents

(67) Related documents and forms include:

a. Hospitality Approval Guidelines
b. Hospitality Approval Form
c. Hospitality Calculator.

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