

## SENSITIVE EXPENDITURE AND GIFTS PROCEDURES

<b>Section</b>	Finance
<b>Contact</b>	Chief Financial Officer
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### Scope:

The objective of this document is to ensure a clear and consistent understanding of procedures for sensitive expenditure and gifts, to ensure all sensitive expenditure and gifts received meet standards of probity expected of a publicly funded organisation. These procedures are consistent with the Controlling Sensitive Expenditure: Guidelines for Public Entities, published by the Office of the Auditor General. Koha is excluded as Koha is covered in the Koha Procedures.

The procedures aim to clearly identify those expenses considered to be legitimate and appropriate.

The procedures stipulate the way in which sensitive expenditure may be incurred and how offers of gifts and gratuitous benefits must be managed. Members are expected to exercise prudent judgement in relation to all business expenditure and gifts received.

Massey University (the "University") will pay for sensitive expenditure that is actual and reasonable, and incurred as a consequence of conducting University business.

All amounts quoted in these Procedures are GST inclusive. Valid GST invoices and other supporting documentation must be maintained/submitted for all sensitive expenditure.

These Procedures are to be read in conjunction with the Sensitive Expenditure and Gifts Policy.

Note the amounts in these procedures take precedence over any standard delegations as outlined in the delegations of authority policy.

### Procedures:

#### 1. Entertainment Related Expenditure

Entertainment related expenditure is defined as food/refreshment and function expenses. This may be incurred where an external party is involved and the purpose of the expenditure is to represent the University, provide reciprocity of hospitality or build business relationships in pursuit of university goals.

Prudence and moderation should be exercised when providing entertainment and hospitality to visitors. The level of expenditure should be appropriate to the relationship between the University and those being entertained.

The University will not pay for entertainment related expenditure for spouses or other family members accompanying a staff member.

University members should not entertain other University members, e.g., when having a meeting over coffee or lunch it is expected that this is paid personally.

Payment is to be made with a university credit card (where possible) and should be accompanied with a detailed description including all attendees.

All entertainment related documentation must identify the date, venue, costs, recipients, benefits derived and/or reasons for the event.

Entertainment related expenditure should be included in pre-approved budgets.

The following guidance relates to both external and internal events:

- **Up to \$2,000** per event must be approved by a Head of Department/Institute/School (HOD/I/S) or their delegate.
- **Over \$2,000** per event, the approval of a Senior Leadership Team (SLT) member is required.

*Note: External or internal events organised by the Event Management team may be an exception to the guidance above but are not exempted or excepted from any other of the University policies.*

Reimbursements for entertainment must be submitted within one month of the expense being incurred.

Where entertainment related expenditure is considered unreasonable by the Chief Financial Officer, Finance, or their nominee, they will seek further explanation from the approvers of the payment or may refer the query to an SLT member.

### ***External Events (Official Entertainment)***

These are events where there is a valid and justifiable business reason to entertain external guests in an official capacity including, but not limited to, meals, meetings, and functions. The University will pay for food and beverages provided to staff and their guests who are being entertained in an official capacity.

If it is appropriate to purchase alcohol for official entertainment/external events, prior approval must be obtained from the Head of Department/Institute/School (HOD/I/S) or Senior Leadership Team (SLT) member.

The expense incurred must be reasonable and justifiable with regard to the nature of the event and have a beneficial connection with the University's interest. (For example, no more than \$65.00 spent on a bottle of wine). It is not expected that the expenditure would be a substitute for business meetings.

### ***Internal Events***

Entertainment related events for which the attendees are predominately University members often take place on university premises, but they may also occur elsewhere.

Internal events include, but are not limited to, the following:

#### **(a) Internal Meetings (including Internal Training Sessions)**

- Generally, the University will only provide tea and coffee for internal meetings, including those held across the times of morning tea, afternoon tea or lunch periods.
- If meetings are for a full day, meeting organisers should allow sufficient time for breaks including lunch.
- Lunch may be provided if insufficient time is allocated for a lunch break or it is an official event (e.g., People and Culture training etc.) or a full day event.
- If attendees have travelled from another location, they will generally be permitted to claim the approved daily allowance if away for more than 24 hours or actual and reasonable expenses to cover any meals not provided.



Reporting and Recording Offers, Gifts or Benefits

A reportable gift includes any item or benefit with a fair value over \$75, or any cash gift regardless of the amount, whether it has been accepted or declined. Gifts less than the nominal value of \$75 should be discussed with the employee's manager or in the first instance as to whether it is appropriate to be accepted or declined.

Any official gifts are normally considered the property of the University and if suitable they should be displayed in an appropriate and secure location as determined by the Vice-Chancellor.

All reportable gifts or benefits should be disclosed in the Gift Register within 5 business days.

The following guidelines apply to acceptance of hospitality, gifts, or other gratuitous benefits:

- Items considered to be a minor item or of low value (i.e., less than \$75), are not normally required to be declared. Examples of low-value gifts are invitations to lunches, promotional products, small gift baskets, a moderately priced bottle of wine and items such as office calendars. However, items of a sensitive nature or perceived higher cumulative value should be declared to the staff member's manager and reported and recorded in the gift register.
- Gifts with values of **\$75 and up to \$125** – Members must have HOD/I/S approval prior to acceptance.
- Gifts with values of **\$125 and up to \$500** – Members must have SLT member approval prior to acceptance.
- Gifts with values over **\$500 or any official gifts** – Mem

## Massey University Policy Guide

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