



# Entertainment & Hospitality Policy (Statutory)

## 1. PURPOSE

The purpose of the policy is to assist Council employees and Councillors in the proper utilisation of funds allocated to Entertainment and Hospitality to meet legislative requirements and community standards.

## 2. SCOPE & AUTHORITY

Section 196 of the Local Government Regulation 2012 (the Regulation) requires that Council adopt a policy about Council's spending on entertainment or hospitality (an Entertainment and Hospitality Policy).

The policy applies to all Councillors and Council employees when incurring expenditure relating to entertainment and hospitality.

## 3. POLICY STATEMENT

The following principles apply to all entertainment and hospitality expenditure by Council.

- a) All entertainment and hospitality expenditure must be incurred in the public interest. This means that the Councillor or council employee authorising the expenditure must demonstrate that the expenditure will benefit the public generally or facilitate Council business.
- b) The amount spent on entertaining and hospitality must be reasonable, having regard to the benefit to the Council or the public.
- c) The expenditure must be provided for in a budget and must be authorised in accordance with the Council's normal accounting procedures and with the specific additional requirements in this policy.
- d) Expenditure incurred by Council which is not reasonable and appropriate (private expenses) must be invoiced to the person who consumed and/or authorised the benefit.
- e) Entertainment and hospitality expenses may only be charged to a corporate credit card if authorised with prior approval of a superior as per clause 6.3 of the policy.

### 3.1 Authorisation of Expenditure

Councillors and employees must not authorise their own expenditure. Expenditure by the CEO must be authorised by the Mayor or the Director Finance & Corporate Services.

Expenditure by a Director must be authorised by the CEO. Expenditure by a Manager or other officer must be authorised by the CEO or relevant Director. The person approving the expenditure must ensure that:

- The expenditure is in accordance with this Policy; and
- the cost is available in the relevant budget item; and
- meets the usual requirements for expenditure approvals; and
- is within financial delegation.

### 3.2 Types of Entertainment or Hospitality Services

The following are the types of entertainment or hospitality services that Council considers appropriate for use of its funds:



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Type of Function	Definition	Guidelines
Civic Reception	Formal Functions hosted by Council generally for: -Visiting dignitaries -Recognition of significant achievement(s) of individual (s) and group(s) -Economic development and furthering business links in the community -Citizenship ceremonies.	Receptions that meet the guiding principles are supported by this policy subject to: -Authorisation by the CEO or relevant Director -Availability of funds during the Financial Year Expenditure may include hospitality; Anzac Day Wreaths; flowers for condolences for gifts for visiting delegates
Council Function	Entertainment provided by Council generally for: - Visiting dignitaries -Recognition of significant achievement(s) of individual (s) and group(s) -Economic development and furthering business links in the community	Those functions that meet the guiding principles are supported by this policy subject to: -Authorisation by the CEO or relevant Director. -Availability of funds during the Financial Year.
Employer Function	A formal function hosted by Councillors and Employees (may include members of immediate family) generally for: -Staff Breakfast -Length of service -Christmas celebrations	Those functions that meet the guiding principles are supported by this policy subject to: -Authorisation by the CEO or relevant Director. -Availability of funds during the Financial Year.
Sponsored Meal	Food and beverage provided by Council to Councillors, Employees and agents of Council on a working day at a venue other than Council Premises.	It is allowable for Councillors and Employees to be provided with entertainment during the course of their daily business, e.g. business lunch at an off-site venue subject to: -Authorisation by the CEO or relevant Director; and -Authorisation is limited to \$55/head.



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<p>Training and Working meals</p>	<p>Food and beverage provided by Council to Councillors, Employees and agents of Council on a working day at Council Premises</p>	<p>A light meal may be provided for Councillors and/or employees who are required to work during a mealtime and an alternative meal break is not available. This includes committee, working groups, conferences, seminars, training, and workshops where the cost is met by Council.</p> <p>Authorisation by the CEO or relevant Director</p>
<p>Travel Meals</p>	<p>Food and drink provided by Council to Councillors, Employees and agents of Council on a working day whilst travelling for work related matters.</p>	<p>Provision of entertainment to Councillors and Employees during the course of their daily business, e.g. a lunch whilst traveling during the course of a working day, is supported subject to Australian Tax Office Taxation Determination "What are the reasonable travel and overtime meal allowance expense amounts."</p> <p>Refer also to the Councillor Expenses Reimbursement Policy and the Domestic Travelling Directive 01/23 of the Queensland State Government for guidance.</p>
<p>Other events</p>	<p>Alcoholic drinks may not be provided for employees except as approved by the CEO.</p>	<p>Consuming of alcoholic drinks on Council premises may be approved by the CEO in accordance with Council's Drug and Alcohol Policy. Eg. Staff Farewell.</p>
<p>Other Hospitality Expenses</p>	<p>Other types of expenditure considered reasonable as official hospitality includes the provision of tea, coffee, sugar, milk and morning or afternoon tea for official visitors and appropriate staff</p>	<p>Maybe authorised by an officer with appropriate financial delegation</p>

### 3.3 Not reasonable and appropriate

Examples of expenditure which is generally considered not to be reasonable and appropriate and are therefore to be treated as private expenditure are:

- Tips or gratuities – tipping is not customary in Australia, however when travelling overseas and tipping is the custom, these will be considered official expenditure.
- Dinners/functions at the private residence of a Councillor or Council officer.
- Morning/afternoon tea outside Council premises, where only Councillors or Council officers are attending (except in circumstances as approved by the CEO eg. Council meeting days).



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- Stocking a fridge with alcohol on council premises.
- Mini Bar expenses.
- Staff working on Council premises where food and beverages are on sale are not entitled to charge food and beverages to Council in the normal course of their duties.

## 3.4 Fringe Benefits Tax

Fringe Benefits Tax may be payable on some of the official hospitality expenditure that is attributable to Councillors and employees of the Council. All Councillors and employees should be aware of FBT rules and of their application for official hospitality functions. The use of the entertainment register maintained by the Manager Finance Services in Finance & Corporate Services is considered mandatory to record details and costs associated with official entertainment for all hospitality subject to FBT.

## 3.5 Credit Card Payments

The Chief Executive Officer with the Director Finance & Corporate Services may restrict the ability of holders of Council credit cards to pay for expenditure in the nature of entertainment or hospitality.

## 4. RESPONSIBILITIES

### 4.1 All Councillors and Council employees

- Must acknowledge and ensure compliance with the policy.

### 4.2 Managers and Directors

- Must acknowledge and ensure compliance with the policy and only approve expenditure within their financial delegation.
- The Manager Finance Services is responsible for checking and reporting on compliance with this policy.

### 4.2 Director Finance & Corporate Services

- Shall be the custodian of this policy.
- Shall implement control measures and training that provide assurance that Council acts in accordance with the policy.
- Shall implement systems and processes to measure and report compliance.

### 4.3 Chief Executive Officer

- The Chief Executive Officer is responsible for ensuring compliance with this policy.

## 5. RISK

The policy seeks to mitigate or control the risk of councillors, the Chief Executive Officer or employees using public monies for private purposes. The policy outlines where expenditure is considered reasonable and is monitored for compliance.

## 6. IMPACTS

**Corporate Plan:** Governance - Deliver an effective corporate governance framework that drives enhanced organisational performance through best practice project management, financial management and risk mitigation. Program Area 5.5 High levels of transparency and compliance.

**Human Rights Compatibility Statement:** the policy is consistent with the Human Rights Act 2019.

**Engagement:** Engagement with councillors and officers internally will be undertaken.





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## 7. RELATED LAWS

- Local Government Act 2009
- Local Government Regulation 2012
- Public Sector Ethics Act 1994
- Fringe Benefits Act 1986

## 8. RELATED DOCUMENTS

- Councillor Expenses and Reimbursement Policy
- Community Engagement Policy
- Procurement Policy
- Corporate Credit Card Policy
- Councillor Expense and Provision of Facilities Policy
- Drug and Alcohol Policy and Procedures
- FBT form
- Financial Delegations Register
- Reimbursement of expenses form

## 9. REVISION HISTORY

**Revokes:** all previous versions

**Previous approved versions:** Doc ID 85150 adopted in 2019.

**Suggested to review by:** every four years.

## 10. DEFINITIONS

Examples of Entertainment or Hospitality—

- entertaining members of the public in order to promote a local government project.
- providing food or beverages to a person who is visiting the local government in an official capacity.
- providing food or beverages for a conference, course, meeting, seminar, workshop or another forum that is held by the local government for its councillors, local government employees or other persons.
- paying for a councillor or local government employee to attend a function as part of the councillor's or employee's official duties or obligations as a councillor or local government employee.

## 11. ATTACHMENTS

Nil