

Entertainment and Hospitality

Classification:	Council Policy
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Responsible Officer:	Director Corporate
Relevant Legislation:	Local Government Act 1999 Code of Conduct for Council Employees
Related Policies:	Corporate Credit Card Policy Corporate Credit Card Protocol Internal Financial Control Framework Policy Elected Members' Training and Development Policy Procurement Policy Reward and Recognition Protocol Council Members' Allowances & Benefits Policy

1. Introduction

- 1.1 The City of Burnside is accountable to the community for the expenditure decisions it makes and through this Policy, Council aims at providing guidance on appropriate hospitality expenditure and ensuring that this expenditure is reasonable for the circumstances, considering community values and expectations.
- 1.2 This policy applies to all City of Burnside employees (including Volunteers) and relates to all situations in which staff provide hospitality and/or entertainment for events as well as to external stakeholders of the Council. This policy also applies to all employees seeking approval for hospitality related expenses to all functions/events held on Council premises or another venue.
- 1.3 This policy does not apply to Council's Employee Social Club (the BSocial Club) functions and Employees receiving entertainment/hospitality from third parties, refer to the Code of Conduct for Council Employees (as prescribed within Schedule 2A of the General Regulations).

- 1.4 Where there are any queries over items not specifically covered within this Policy, employees will get approval from their relevant line Manager prior to entering any arrangements or incurring expenditure.

2. Strategic Plan Desired Outcomes

- Principle:* 4. Governing with Integrity
- Themes:* Spans across all Strategic Plan Themes
- Goals:* Spans across all Strategic Plan Goals
- Priorities:* Spans across all Strategic Plan Priorities

3. Our Approach

- 3.1 Council recognises there are occasions when it is appropriate and legitimate to provide hospitality related expenses at the Council's/ratepayer's expense.
- 3.2 This policy is intended to clarify the circumstances when Council believes that it is appropriate, reasonable and justifiable to use Council funds for hospitality related expenses. It also describes the type of hospitality expenses that may be incurred and the approved expense limits.
- 3.3 This Policy is designed to complement Council's Code of Conduct for Council Employees and existing internal controls as part of its corporate governance framework.

4. Legislative Requirements and Corporate Policy Context

- 4.1 The *Local Government Act 1999* and the *Local Government Act (Financial Management) Regulations 2011* prescribe provisions that require Council to account for financial transactions.

5. Interpretation

Council adopts the following definitions for this policy:

- 5.1.1 **Act** refers to the *Local Government Act 1999*
- 5.1.2 **CEO** refers to the Chief Executive Officer.
- 5.1.3 **Civic Event** means an event involving the Mayor and/or Council Members which is coordinated and funded by Civic Governance such as Citizenship ceremony, Mayoral events.
- 5.1.4 **Community engagement event** means a structured community event which is authorised as part of an approved project or program. Examples include arts and youth events and community engagement activities to assist in Council's decision making.
- 5.1.5 **Corporate event** means an event organised for employees which is authorised by Administration of Council.
- 5.1.6 **Credit Cards** mean any type of corporate or organisational purchasing card, including credit, debit, EFTPOS and similar bank cards used for purchasing on behalf of the Council.

- 5.1.7 **Employee** means all Council employees including the CEO, Directors, Group Managers, trainees, volunteers, work experience staff and contract staff.
- 5.1.8 **Entertainment** means items such as tickets to movies, plays, sporting events, theatre, recreational activities, restaurant meals, holiday airline tickets, tickets to an amusement centre, (Note: this reference is taken from Australian Taxation Office FBT definition).
- 5.1.9 **Gift to employee** means items that are not ordinarily required to undertake a role (and are beyond approved employment conditions) such as movie tickets, gift cards, wine, Christmas hampers, bottles of alcohol, gift vouchers, perfume, flowers, pen sets, (Note: this reference is taken from Australian Taxation Office FBT definition).
- 5.1.10 **Hospitality** means the activity of providing food, drinks (alcoholic and non-alcoholic) or entertainment.
- 5.1.11 **Light refreshment** includes tea, coffee, other non-alcoholic beverages, a light snack (i.e. morning or afternoon tea).
- 5.1.12 **Meetings** are considered a normal feature of a role and mean those meetings that an employee is regularly required to attend.
- 5.1.13 **Personal Expenses** means any expense undertaken to receive a personal benefit and not related to work or business activities.
- 5.1.14 **Third Party** means a person/entity who is not an employee of Council including clients, suppliers, contractors, community members or customers.
- 5.1.15 **Working meeting** means employee meetings such as Toolbox meetings, team, section or whole department meetings.

6. Policy Objectives/Scope/Actions

6.1 *Purchasing Principles*

- 6.1.1 The provision of hospitality, gifts, transport, accommodation and associated expenditure can be a part of conducting any business. As a result, provisions are made within Council's budget for such expenditure and will be clearly articulated in the Annual Budget report prior to adoption. All Council expenditure is reviewed as part of the Council's budget setting framework and is subject to public scrutiny.
- 6.1.2 In addition, like all other Council expenditure, hospitality, gifts, travel, transport, accommodation and associated expenditure must be within the approved Council budget, be approved within Council's endorsed delegations and authorisation framework and in accordance with Council's *Procurement Policy*. Where corporate credit cards are used as the preferred payment method, expenditure must also be in accordance with Council's *Corporate Credit Card Policy and Corporate Credit Card Protocol*.
- 6.1.3 When choosing a supplier for catering, consideration should be given to ensuring it is cost effective, in line with the Procurement Policy and located in the Council area wherever possible to support a local business/ratepayer. Additionally, consideration should also be given to waste reduction and recycling practices with an aim to minimise waste to landfill.

6.1.4 Prior to expending Council funds, employees must turn their mind towards the following:

- 6.1.4.1 the benefit (real or perceived) gained by the public from the expenditure;
- 6.1.4.2 the public's expectations of government agencies;
- 6.1.4.3 the appropriateness of the amount of the expenditure; and
- 6.1.4.4 whether the expenditure was reasonably necessary for the carrying out of the Council's functions.

6.2 General Principles

6.2.1 Any expenditure by staff on official hospitality and/or entertainment must be in accordance with the following principles:

- 6.2.1.1 The expense must be for business activities only;
- 6.2.1.2 The expense must be properly documented with appropriate authorisations, retention of tax invoices and receipts and in line with relevant Council Policies and Protocols (e.g. Corporate Credit Card Protocol);
- 6.2.1.3 The expense must be reasonable for the circumstances, and publicly defensible; and
- 6.2.1.4 The expense must be approved by a Manager with appropriate delegations and in accordance with Council's *Procurement Policy*.

6.2.2 Staff are to ensure the cost and level of hospitality and/or entertainment is reasonable, is not excessive, not merely for social purposes and can stand up to public scrutiny.

6.2.3 The following are the type of hospitality events which Council generally undertakes as part of its business activities (some of which may be role specific):

- 6.2.3.1 Meetings with clients / service providers / external stakeholders;
- 6.2.3.2 Council/Committee meetings and workshops;
- 6.2.3.3 Advocacy and or strategic relationship building;
- 6.2.3.4 Corporate events;
- 6.2.3.5 Recognition of Service / Volunteer services;
- 6.2.3.6 Reward and Recognition;
- 6.2.3.7 Employee training sessions coordinated by the People and Innovation Team;
- 6.2.3.8 Civic events;
- 6.2.3.9 Community engagement; and
- 6.2.3.10 Aged Care Services.

6.2.4 Examples of entertainment expenditure which will not be funded from Council sources include, but are not limited to:

- 6.2.4.1 entertainment related to activities not ascertained to be a business activity as listed in section 6.2.3 above;
- 6.2.4.2 staff only meetings: Regular team or 1:1 meeting, including those held in coffee shops, will not be funded by Council.
- 6.2.4.3 functions for staff over and above existing and approved organisation wide or department wide arrangements
- 6.2.4.4 staff club memberships for social and recreational purposes will not be funded, such as sporting, social or business clubs; lunches, morning and afternoon teas, tea and coffee (excluding those provided in the council's staff room) for Council staff for social purposes. There are exceptions for one-off refreshments provided by the CEO to all staff as part of a special occasion (Easter/Christmas) which are required to be declared upfront in each annual budget prior to its adoption;
- 6.2.4.5 Charges over and above the charge levied by the provider. These are a personal choice and as such must be funded by the employee, except where the gratuity is included as a specified component of the bill or receipt; and
- 6.2.4.6 Hospitality and/or entertainment provided to any organisation involved with the Council in formal tender or expression of interest proceedings will not be funded.
- 6.2.4.7 Alcohol and barista made coffee will not be funded by Council.

6.2.5 Expenditure must not provide a personal benefit to staff members or their family or friends except for an organised event such as the staff Christmas function).

6.3 *Expenditure Limits*

6.3.1 Excluding catering for staff prior to Council and Committee meetings, Council will not fund Meals and/or beverages for staff and/or other stakeholders at a public establishment. However, should there be a need to fund such an expense, adequate justification is required along with an approval from the CEO.

6.3.2 Such hospitality expenses will be based on the following maximum expenditure levels (which are guided by the ATO guidance for meals/travelling expenses). An additional 30% above these limits is appropriate for Interstate travel.

Expenditure Limits (SA) (excluding conferences) *	
Breakfast or lunch	<i>Up to \$30 per head</i>
Dinner	<i>Up to \$50 per head</i>
Light Refreshments	<i>Up to \$7.50 per head</i>

* *expenditure limits include expenditure on food and non-alcoholic beverages only. Should staff wish to purchase alcohol, it would have to be purchased out of their personal funds.*

6.3.3 Employees who do not apply for approval of entertainment expenses prior to incurring the charge carry their own risk that it be considered a private and not a work-related expense and will be liable for the cost.

6.3.4 The provision of hospitality may result in Fringe Benefits Tax (FBT). This can significantly increase the cost of hospitality provided to employees. Employees will, in all circumstances seek to keep costs to a minimum, meet community expectations, and be able to publicly defend the expenditure incurred.

6.4 *Supply and consumption of alcohol*

6.4.1 Occasionally, it may be appropriate to serve alcohol at community events. Where alcohol is served at any event, it will be undertaken in accordance with the relevant Liquor Licence, (if applicable), and in accordance with the responsible service of alcohol requirements.

6.4.2 Council will not fund the purchase of alcohol for Council Members or staff unless as part of an event involving the community where alcohol is provided to all attendees. Consumption of alcohol by Council Members or staff would be permitted if it has been purchased out of personal funds (subject to Council's Drug and Alcohol Policy);

6.4.3 Where provision of alcohol is part of an event to which Council has purchased tickets and alcohol is included, such an expenditure will be acceptable (e.g. awards nights).

6.5 *Venue Hire*

6.5.1 Staff related meetings will be held on Council premises as a priority. Occasionally, it may be appropriate for meetings to be held at external venues. The use of external venues is permissible if they are not required to be funded by Council (excluding the staff annual Christmas function).

6.5.2 When choosing a non-Council venue, consideration should be given to ensuring it is appropriate for the type of function, it meets community expectation for that type of event, and should be in the Council area wherever possible to support a local business/ratepayer.

6.5.3 Council will not fund any external catering for staff at such events (excluding the staff annual Christmas function).

6.6 *Gifts (including flowers)*

6.6.1 The provision of gifts can play an important role in building a sense of community by acknowledging key contributions within the community, building strategic relations and as part of good business practices.

6.6.2 Expenditure of up to \$75 per head (excluding delivery charges and excluding awards provided in line with Reward and Recognition and Volunteer achievements) is acceptable on ceremonial gifts, gifts of thanks or other formal gifts or benefits to be given by Council. All gifts should be appropriate for the occasion and purchased within existing budget allocations and approved by the relevant line manager. Gifts will not include alcohol.

6.6.3 The Code of Conduct for Council Employees as prescribed within Schedule 2A of the Local Government (General) Regulations and related Gifts and Benefits procedure prescribe when acceptance of a gift from a third party may be acceptable.

6.7 *Transport and Accommodation*

6.7.1 Travel expenses are expenses incurred during authorised work-related travel. They include accommodation, transport, meals, and expenses incidental to travel. Travel expenses must be reasonable and an efficient use of public funds. Any travel expenses are required to be pre-authorised in writing by the Line Manager or Director.

6.7.2 Travel expenses must not include:

6.7.2.1 any expenses for unauthorised travel, especially flights and accommodation;

6.7.2.2 traffic or parking infringements;

6.7.2.3 alcohol, in-room movies, minibar and other similar expenses of a private nature;

6.7.2.4 expenses for any other person who is not a Council employee; and

6.7.2.5 membership subscriptions for airline clubs or loyalty programs.

6.7.3 Employees will use the following guidelines when arranging work-related travel and incurring travel expenses either for themselves or for other employees as directed:

6.7.3.1 ensure any travel is approved and budgeted for;

6.7.3.2 discuss the budget with the Finance Team to ascertain and apply the ATO reasonable amounts; and

6.7.3.3 gain approval from the relevant Director for interstate travel.

6.7.4 The [Australian Taxation Office Tax Determination TD 2017/191](#) provides guidance on 'reasonable amounts' for overnight accommodation, meals and incidental expenses for taxation purposes. These proposed amounts are for taxation purposes and are a guide only. Travel expenses prescribed by the ATO can be considered reasonable and justified. Travel expenses more than these amounts must be justified or the excess paid by the employee personally if adequate justification cannot be provided.

6.7.5 Travel expenses:

6.7.5.1 below the ATO reasonable amounts are justified for authorised travel and do not need approval;

6.7.5.2 in excess of the ATO reasonable amount must be justified by the cardholder or the excess paid by the cardholder personally. This means persons can pay extra, at their own expense, for upgrading travel services; and

6.7.5.3 travel should be as economical and efficient as is possible e.g. economy class, where time and availability allow, unless the cost differential is paid by the individual over and above the economy rate.

- 6.7.6 Council has a duty of care to its employees to ensure their health and safety is not compromised. There will be a limited number of occasions when the use of alternate transport (taxi/Uber) will be funded by Council. Employees may seek reimbursement for travel expenses, only where prior approval has been granted for attendance at a designated meeting conference or training activity.
- 6.7.7 The reimbursement of certain expenses incurred by employees in performing or discharging official functions and duties may be approved on case-by-case basis by the relevant Line Manager or Director.
- 6.7.8 Council will maintain a public register of all interstate travel undertaken in an official capacity by Council employees and Council Members.

6.8 *Authorisation by the CEO*

- 6.8.1 The CEO will maintain ultimate discretion to determine where and when it is appropriate to provide an exemption from this Guideline. This discretion may include the provision of food/recognition/gifts. Any variation to this policy, authorised by the CEO must be in writing and document the reason for the variation to this policy prior to the purchase.

6.9 *Monitoring and Reporting*

- 6.9.1 In line with Council's *Corporate Credit Card Protocol*, for transactions deemed entertainment expenses, a separate 'Meal Entertainment Expenditure' form in ProMaster must be completed and the expenditure incurred by the most senior corporate credit account holder present.
- 6.9.2 The Finance Team will conduct bi-annual sample audits to ensure compliance with this policy and identify any abnormal trends.
- 6.9.3 Any non-compliance with this policy must be promptly reported to the Director Corporate and Development and Chief Executive Officer, or, in the case of the Chief Executive Officer to the Mayor.
- 6.9.4 Council will maintain a public online register of all interstate and overseas travel undertaken in an official capacity by Council employees and Council Members.

7. Review and Authority

- 7.1 Without changing the intent, only the CEO may waive or vary the requirements of this policy as needed to meet operational requirements; any deviations in this regard will be provided through the CEO's monthly report to Council.

8. Availability

- 8.1 The Policy is available to be downloaded, free of charge, from Council's website www.burnside.sa.gov.au.
- 8.2 The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours and a copy may be purchased for a fee as set annually by Council:

- 8.2.1 City of Burnside Civic Centre; 401 Greenhill Road, Tusmore SA 5065 Telephone; 8366 4200; Email; burnside@burnside.sa.gov.au Office hours: Monday to Friday, 8.30am to 5.00pm (except public holidays)

9. Further information

- 9.1 For further information about this Policy please contact:

City of Burnside Civic Centre; 401 Greenhill Road, Tusmore SA 5065
Telephone; 8366 4200; Email; burnside@burnside.sa.gov.au

APPENDIX 1: Hospitality related expenditure funded/not funded

Expenditure	Funded	Not Funded
Travel Expenses	Travel expenses are expenses incurred during authorised work-related travel. They include accommodation, transport, meals, and expenses incidental to travel. Travel expenses must be reasonable and an efficient use of public funds. Any travel expenses are required to be pre-authorised in writing by the Line Manager or Director.	<p>Traffic or parking infringements</p> <p>Any expenses for unauthorised travel, especially flights and accommodation;</p> <p>Travel expenses for any other person who is not a Council employee.</p> <p>Membership subscriptions for airline clubs or loyalty programs</p> <p>Alcohol, in-room movies, minibar and other similar expenses of a private nature</p> <p>Expenses incurred on meals and non-alcoholic beverages above the limit allowed in 6.3.1</p>
Functions for staff	Approved organisation wide or department wide arrangements (Christmas/ Depot arrangements etc.)	-
Lunches, morning and afternoon teas, tea and coffee (excluding those provided in the council's staff room)	Funded only as part of attendance at a training session/seminar/conference or other organised event.	<p>Not funded for social purposes</p> <p>Should beverages required to be purchased at a coffee meeting, these must be paid by the host or attendees personally.</p> <p>Council will not fund Meals and/or beverages for staff and/or other stakeholders at a public establishment. However, should there be a need to fund such an expense, adequate justification is required along with an approval from the CEO.</p>
Gratuities (tips/surcharges)	Only that amount which is levied by the provider	Over and above the charge levied by the provider will not be funded
Suppliers	Funded if part of a networking or organised event	Hospitality and/or entertainment provided to any organisation involved with the Council in formal tender or expression of interest proceedings.

		<p>Should beverages be required at a coffee meeting, these must be paid for by the host or attendees?</p> <p>Council will not fund Meals and/or beverages for staff and/or other stakeholders at a public establishment. However, should there be a need to fund such an expense, adequate justification is required along with an approval from the CEO.</p>
Personal benefit to Staff members or their family or friends	<p>Gifts (refer below)</p> <p>Christmas function</p>	Expenditure that provides a personal benefit to staff members or their family or friends (unless approved prior by the CEO)
Alcohol	Occasionally, alcohol can be supplied at community events.	Council will not fund the purchase of alcohol for Council Members or staff unless it is part of an event that includes the community
Venue Hire	The use of an external venue by staff is permitted if there is no cost implication	Council will not fund the hire of external venues for staff events (excluding the annual staff Christmas function)
Gifts (including flowers)	Funded up to \$75 per head (excluding delivery charges and awards provided in line with Reward and Recognition and Volunteer achievements)	-
Memberships	-	No memberships to clubs (e.g. social, sporting, business clubs) will be funded