

POLICY



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Policy title: ENTERTAINMENT AND HOSPITALITY EXPENDITURE

Directorate: ORGANISATIONAL SERVICES

Branch: CORPORATE GOVERNANCE

Policy objective: To provide guidelines to employees and councillors in relation to the management of entertainment and hospitality expenditure in accordance with sections 188 (overseas travel) and 196 (entertainment and hospitality) of the Local Government Regulation 2012.

To meet the annual reporting requirements as per the Local Government Regulation 2012.

Policy scope:

This policy is consistent with the requirements of sections 188 and 196 of the Local Government Regulation 2012, so that employees and councillors may incur expenditure for relevant entertainment and/or hospitality services only if the expenditure is in the public interest and is for official Council purposes.

Definitions:

TERM	DEFINITION
Public purpose	For the purpose of this policy, "public purpose" is defined as any activity that: <ul style="list-style-type: none"> (a) encourages physical activity through participation in sporting, recreational and social pursuits (b) Fosters an understanding and appreciation of the city's heritage and cultural diversity (c) Promotes and encourages environmental protection and sustainability; (d) supports and builds relationships with disadvantaged or vulnerable groups in our community (e) provides economic benefits to the city including promoting employment opportunities.
Public purpose	<ul style="list-style-type: none"> (a) encourages and promotes educational opportunities and initiatives (b) supports our city vision of "Building our Communities, our Businesses and our Pride".
Entertainment	<ul style="list-style-type: none"> (a) a service provided by the local government for entertaining members of the public for promoting an initiative or project of the local government (b) including, but not limited to those items detailed in Council's "Hospitality and Entertainment Guide" contained in the annual budget working document.

TERM	DEFINITION
Hospitality	<p>(a) the provision of food or beverages by the local government:</p> <ul style="list-style-type: none"> (i) to a person visiting the local government in an official capacity; or (ii) for a conference or meeting held by the local government for its councillors, employees or other persons; or (iii) for a seminar, course, workshop or other forum provided by the local government for its councillors, employees or other persons; <p>(b) attendance by a councillor or employee of the local government at a function:</p> <ul style="list-style-type: none"> (i) as a part of the councillor's or employee's official duties or obligations as a councillor or employee of the local government (ii) for which an amount is charged to the local government for attending the function. <p>(c) including, but not limited to those items detailed in Council's "Hospitality and Entertainment Guide".</p>

Policy administrative procedure:

The following procedure is to be undertaken for this policy:

1. Expenditure must be properly documented with the purpose and recipients clearly identified so as to satisfy an external audit.
2. Expenditure must be appropriate and reasonable in relation to the entertainment or hospitality activity undertaken. Non-work related or personal use is inappropriate. Expenditure which is deemed to be inappropriate will need to be refunded and disciplinary action will occur.
3. The types of entertainment or hospitality services Council considers to be appropriate for conferences, seminars, travel etc. and associated expenses are contained in the policies titled "Conference and Seminar Attendance" and "Corporate Travel and Accommodation".
4. The types of entertainment and hospitality services that may or may not be paid for by using a credit card or other credit devices issued in the name of Logan City Council are contained in the policy titled "Use of Corporate Credit Cards and other Credit Devices".
5. Guidelines for Entertainment expenditure relating to elected members' use of Mayor/councillor civic allowance are contained in the policy titled "Mayor's and Councillors' Civic Allowances".
6. Approval must be obtained in accordance with the expenditure limits in the delegation of authority titled "Authorisation of Expenditure".
7. Fringe Benefit Tax (FBT)
 - (a) FBT is payable by Council where expenditure is incurred in the provision of entertainment to Council employees and their associates. Penalty tax may apply if an employer fails to declare entertainment expenditure correctly.
 - (b) For guidance on Council's approach to the treatment of Entertainment Expenditure for Fringe Benefits Taxation (FBT), Goods and Services Taxation (GST) and the Tax Equivalent Regime (TER) for business units refer to the Finance branch procedure titled "Tax Consequences of Entertainment Expenditure" (Id: 2765378).

8. Annual reporting

- (a) In accordance with section 188 of the Local Government Regulation 2012, the managers of each branch are responsible for ensuring the entertainment or hospitality expenditure for their branch is recorded with enough detail to allow for auditing purposes. This includes using appropriate forms where required.
- (b) A summarised expenditure figure is to be obtained by the Corporate Governance Manager from this register for the relevant financial year and provided to the Office of the CEO by 1 September of each year, for inclusion in Council's annual report.

Related policies/legislation/other documents:

DOC ID	DOCUMENT TYPE	DOCUMENT NAME
-	Legislation	<i>Local Government Act 2009</i>
-	Legislation	Local Government Regulation 2012
2765378	Procedure	Tax Consequences of Entertainment Expenditure
6577300	Policy	Conference and Seminar Attendance
6290313	Policy	Corporate Travel and Accommodation
6211670	Policy	Use of Corporate Credit Cards and Other Credit Devices
5985245	Policy	Mayor and Councillors' Civic Allowances
8745519	Delegation of Authority	Authorisation of Expenditure