



Department of  
**Education**

# **Expenditure on Hospitality Procedures**

Effective date: 1 October 2019

Version: 3.3

Accurate at the time of printing 29/07/2021.

These procedures must be read in conjunction with the Expenditure on Hospitality Policy.

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**These procedures must be read in conjunction with the Expenditure on Hospitality Policy.**

## 1. Policy supported

Expenditure on Hospitality Policy

## 2. Scope

These procedures apply to all Department employees.

## 3. Procedures

### 3.1 Application for expenditure on hospitality

Employees applying for hospitality expenditure must complete a Hospitality Expenditure Application Form (staff only) for prior approval by the relevant authority.

Employees specifically authorised to incur expenditure on official entertainment and social functions are not required to apply for prior approval but must still complete Part 1 to Part 4 of the Hospitality Expenditure Application Form (staff only) for FBT purposes.

#### **Guidance**

See procedures s3.3 for the relevant approval authority for different types of expenditure.

### 3.2 Types of expenditure on hospitality

#### 3.2.1 Official entertainment

Members of Corporative Executive, Executive Director School Curriculum and Standards Division and principals, must approve any hospitality expenditure incurred for the reception and entertainment of:

- overseas and interstate visitors;
- visiting dignitaries; and

- members of the diplomatic or consular corps.

In instances where members of Corporate Executive and principals nominate an employee to act as the host on their behalf, the nominated employee must seek authorisation from an authorised officer to incur the expenditure by completing the [Hospitality Expenditure Application Form](#) (staff only).

### Guidance

Entertainment expenditure may only be incurred in providing hospitality to visitors when the Department or a school has an interest in, or obligation towards, facilitating the visit. As a matter of protocol, the hospitality is usually hosted by a senior employee. The host may extend the hospitality reception to include other guests, including spouses or partners, where the protocol requires their presence.

Entertainment expenditure is not allowed to be incurred specifically for employees, associates, business and industry clients, volunteers and board/council/committee members.

Members of Corporate Executive, Executive Director School Curriculum and Standards Division and principals are not required to apply for prior approval. However, they have to complete Part 1 to Part 4 of the [Hospitality Expenditure Application Form](#) (staff only) for Fringe Benefits Tax purposes.

Depending on who the visitors are, entertainment expenditure may include dining and recreational activities such as cultural shows, sporting events and sightseeing tours. Alcohol may be provided if it is appropriate to the occasion, provided no students are in attendance. Gifts may be given where protocol requires the exchange of gifts. For procedures on the giving of gifts see [Acceptance and Provision of Gifts Policy and Procedures](#).

Hospitality may be held at any venue appropriate to the occasion. The Department purchase card may be used to pay for the entertainment expenses.

The cost of entertainment provided to employees and their partners, spouses and family members is subject to Fringe Benefits Tax (FBT). See section 3.3 for more details.

### 3.2.2 Working meals

Employees must:

- only incur expenditure on working meals to facilitate the conduct of official business;
- obtain prior written approval for the expenditure from the principal, camp school manager, college manager, director or above by completing the [Hospitality Expenditure Application Form](#) (staff only);
- not include any recreational activities or alcoholic beverages as part of the working meal;

- provide the working meal at the place where the business activity is conducted, unless it is not practicable to do so; and
- avoid holding routine meetings where working meals are served as a regular occurrence.

### Guidance

Working meals for business meetings (also includes training, workshops, seminars, conferences or professional development courses) are allowable in any of the following circumstances:

- when a meeting has been scheduled which covers the normal recess or lunch period because all participants would not have otherwise been available at the same time;
- when staff are required to work in groups through lunch or later at night;
- when a full day's meeting has been scheduled and there are cost advantages in continuing through the normal lunch break;
- when the meeting is attended by officers from at least one other external agency or staff from other sites and is for the purpose of conducting business during the meal; or
- when the meeting lasts longer than four hours.

Working meals may also be provided for meetings with business and industry clients, volunteers and board/council/committee members if any of the above circumstances is met.

Examples of appropriate working meals include:

- finger foods such as sandwiches, rolls, pies, chicken pieces and spring rolls;
- fruit;
- fruit juices and soft drinks; and
- coffee, tea and biscuits.

Working meals may be subject to FBT if they are provided away from the place of business activity. See section 3.3 for guidance.

### 3.2.3 Official events

Employees must obtain prior approval from a member of Corporate Executive, Executive Director School Curriculum and Standards Division, principal, camp school manager or college manager to incur any hospitality expenditure for an official event by completing the [Hospitality Expenditure Application Form](#) (staff only).

## Guidance

Examples of an official event include but are not limited to:

- school jubilee or centenary celebration;
- graduation ceremony;
- award presentation;
- school open day; and
- parents' night.

School balls and fundraising events are not considered as official events for the purpose of these procedures.

Schools may provide light meals and refreshments to staff, parents, students, community and volunteers for the event. Alcohol may be provided if it is appropriate to the occasion, provided no students are in attendance.

Depending on the nature of the event and the type of meals provided, expenditure for an official event may be subject to FBT. See section 3.3 for guidance.

### 3.2.4 Social Functions

Employees must obtain prior written approval from the Director General or a Deputy Director General to incur any expenditure on social functions by completing the Hospitality Expenditure Application Form (staff only).

Employees must not:

- other than food and beverages, include any recreational activities or gifts as part of hospitality expenditure for a social function; or
- incur hospitality expenditure for the following social functions:
  - Birthday, Anniversary or New Year celebration;
  - Religious festivals;
  - Melbourne Cup or similar events;
  - end of school term celebration;
  - end of calendar/financial year celebration;

- celebrating an employee's achievement; or
- celebrating the successful completion of a task/project.

### Guidance

Social functions are generally related to the celebration of an occasion and they are usually of a private nature. There may be some exceptional instances where a social function may be held to commemorate or celebrate an occasion. When approving expenditure for a social function, consideration must be given if it is justifiable to use public funds for the occasion. It must be able to stand up to public scrutiny. Where appropriate, the approver should consider limiting the expenditure by placing certain conditions such as the number of people invited, the type of food and beverages served, the venue and the maximum amount allowed.

Alcohol may be provided if it is appropriate to the occasion, provided no students are in attendance. Food and beverages provided to employees on a social function is likely to attract FBT. See section 3.3 for guidance.

## 3.3 Payment of hospitality expenditure

Employees must confirm that all hospitality expenditure accounts submitted for payment are accompanied by the following documents:

### a) Central services and regional education offices

#### i) Payment of invoice

The approved Hospitality Expenditure Application Form (staff only) must be attached to the invoice submitted to BCS Accounts Processing for payment.

#### ii) Clearance of Purchasing Card

The approved Hospitality Expenditure Application Form (staff only) must be attached to the Purchasing Card transaction for authorisation and clearance.

#### iii) iProcurement

A soft (scanned) copy of the approved Hospitality Expenditure Application Form (staff only) must be attached when creating a requisition in iProcurement.

A soft (scanned) copy of the approved Hospitality Expenditure Application Form (staff only) must be attached to the invoice submitted to BCS Accounts Processing for payment.

### b) Schools

i) Payment of Invoice

The approved Hospitality Expenditure Application Form (staff only) must be attached to the invoice for payment.

ii) Clearance of Purchasing Card

The approved Hospitality Expenditure Application Form (staff only) must be attached to the Individual Cardholder Transaction Statement for clearance.

The incurring officer and the purchase card holder must confirm that FBT liability is assessed and, if applicable, the amount is posted to the relevant mandatory account.

### Guidance

Where multiple suppliers are involved in the provision of a hospitality event, a copy of the Hospitality Expenditure Application Form (staff only) is to be attached to each of the invoices if they are submitted separately for payment. This requirement also applies to purchasing card clearance.

Fringe Benefits Tax may be payable for any food and beverages provided to employees and their partners, spouses and family members. The actual FBT liability will depend on the types of meals and beverages provided, when, where and why they are provided.

Due to the complexity of the FBT rules, employees processing the hospitality expenditure accounts should seek guidance from the Taxation Team Leader (BCS).

Guidelines on FBT for schools are also available on the Finance for Schools web site: **Entertainment Fringe Benefits**.



## 4. Definitions

### **Hospitality**

The provision of food of any kind, beverages and recreational activities by the Department/schools to employees and non-employees.

### **Incur**

To incur means to purchase or to procure. It does not take on the meaning used in the term 'incurring officer' as defined in Treasurer's Instruction 304 Authorisation of Payments.

## 5. Related documents

### **Relevant legislation or authority**

[Public Sector Commissioner's Circular 2009-18 Guidelines for Expenditure on Official Hospitality](#)

### **Related Department policies**

[Acceptance and Provision of Gifts](#)

[Alcohol and Other Drugs in the Workplace](#)

### **Other documents**

[Hospitality Expenditure Application Form \(staff only\)](#)

[Entertainment Fringe Benefits](#)

## 6. Contact information

### Policy manager:

Director, Financial Services

### Policy contact officer:

Manager, Financial Policy and Governance

T: (08) 9264 4162

### BCS:

Taxation Team Leader

E: [doetax@education.wa.edu.au](mailto:doetax@education.wa.edu.au)

Accounts Processing Team Leader

E: [doeap@education.wa.edu.au](mailto:doeap@education.wa.edu.au)

### School Financial Management and Support:

Manager, School Financial Management and Support

Senior Finance Consultants

E: [FinancialServices.Support@education.wa.edu.au](mailto:FinancialServices.Support@education.wa.edu.au)

## 7. History of changes

**Effective date** 22 August 2007

**Last update date**  
**Policy version no.**  
**Notes** Titled Hospitality and Working Meals.

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**Effective date** 3 December 2013

**Last update date**  
**Policy version no.**

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<b>Notes</b>	v1.0 split into policy and procedures documents. New procedures and information added. D13/0344254
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<b>Effective date</b>	6 January 2014
<b>Last update date</b> <b>Policy version no.</b> <b>Notes</b>	Amendment to procedure 3.2 (a)(iii). Approved by Director General 23 December 2013. D14/0004248

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<b>Effective date</b>	6 January 2014
<b>Last update date</b>	30 January 2014
<b>Policy version no.</b> <b>Notes</b>	Updated contact details. D14/0041911

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<b>Effective date</b>	6 January 2014
<b>Last update date</b>	21 August 2015
<b>Policy version no.</b> <b>Notes</b>	Updated links D15/0333770

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<b>Effective date</b>	6 January 2014
<b>Last update date</b>	3 October 2018
<b>Policy version no.</b> <b>Notes</b>	Minor changes to update position titles, related policies and contact information D18/0436808

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<b>Effective date</b>	4 June 2019
<b>Last update date</b> <b>Policy version no.</b> <b>Notes</b>	Major change approved at Corporate Executive by the Director General on 1 May 2019.

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<b>Effective date</b>	1 October 2019
<b>Last update date</b> <b>Policy version no.</b> <b>Notes</b>	Major review of the policy and procedures. Approved and signed by the Director General on 11 September 2019. D19/0423596

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<b>Effective date</b>	1 October 2019
<b>Last update date</b> <b>Policy version no.</b> <b>Notes</b>	Minor changes to policy rules, related documents and punctuation in guidelines. D19/0441492

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<b>Effective date</b>	1 October 2019
<b>Last update date</b>	4 October 2019
<b>Policy version no.</b> <b>Notes</b>	Minor changes to correct errors. D19/0460329

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<b>Effective date</b>	1 October 2019
<b>Last update date</b>	25 March 2021
<b>Policy version no.</b> <b>Notes</b>	Minor change to link to Hospitality expenditure application form on Ikon D21/0161208

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## 8. More information

### Supporting content

#### Policy

[Expenditure on Hospitality Policy](#)

### Procedure review date

1 October 2022

### Procedure last updated

25 March 2021

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