

# District Council of Elliston Policy



## Human Resources E003 Hospitality, Recognition, Gift and Employee Expenses

Signature	
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Person responsible for maintaining	Chief Executive Officer

*Refer to the last page of this document for the Document History Table*

## **District Council of Elliston Policy**

### **E003 Hospitality, Recognition, Gift and Employee Expenses**

#### **1. Introduction**

The District Council of Elliston (**Council**) is committed to the efficient and responsible use of public resources. This Policy sets out when it is appropriate to both receive and provide gifts, benefits and hospitality, incur travel expenditure and recognise achievement using public resources.

#### **2. Policy Principles**

This Policy sets out the provisions for when it is appropriate to give or receive a gift, to provide hospitality for official purposes at Council's expense and reward or recognise employees for their contribution, significant efforts and achievements related to key outcomes or deliverables for our community. In certain circumstances, hospitality is provided to stakeholders of Council and in limited circumstances, to Council employees as a part of an official corporate function.

This Policy also clarifies the circumstances where it is appropriate for an employee or an Elected Member to claim an expense. It defines the type of expenses that may be incurred and the allocated expense limits.

This Policy applies to all Elected Members and Council employees, including Volunteers. This Policy is not applicable to events and activities funded personally by employees, ie the Council Social Club.

Where there are any queries over items not specifically covered within this Policy, staff should get approval from the Chief Executive Officer (**CEO**) prior to entering into any arrangements or incurring expenditure.

#### **3. Background**

In alignment with our culture and organisational values, coupled with a strong focus on delivering an exceptional customer experience, Council recognises and values our employees. We are committed to acknowledging and rewarding the work performance and behaviours of employees that support and contribute to our vision and values. Recognition occurs in many ways and sometimes may require the use of public funds to administer.

In providing guidance, the following principles must be met for the use of public funds to be considered appropriate:

- a) The business purpose of the expenditure is clearly justified, at the time the expenditure is necessary for the Council to carry out its functions and to realise its Strategic Plan objectives;
- b) The transaction is compliant with relevant Council policies and within financial delegations;
- c) The transaction is reasonable for the circumstances and publicly defensible; and
- d) The transaction record is properly documented and explains the nature of the expense.

This Policy is intended to clarify the circumstances when Council believes that it is appropriate, reasonable and justifiable to use Council funds for hospitality, recognition, gifts and travel related expenses. It also describes the type of hospitality, recognition, gifts and travel expenses that may be incurred and the approved expense limits.

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This Policy is designed to complement Council's Code of Conduct for Employees and existing internal controls as part of its corporate governance framework.

#### 4. Approval Authority

All employee expenditure referenced under this policy must be approved by the CEO in line with financial delegations prior to being incurred.

Any requests for approval must clearly detail the expected benefits to Council and relevant budget line.

***If approval is not obtained in accordance with the above, the funds will need to be reimbursed by the employee.***

#### 5. Hospitality and Employee Related Expenditure

The following table details funded and unfunded expenditure types.

Expenditure Type (limits apply)	Limit	Funded
Advocacy/strategic relationships on or off premises		✓
Alternate transport (eg taxi or ride share) or accommodation only as per Employee Travel Policy		✓
Meetings with external clients/stakeholders on or off premises	Y	✓
Planning days, including team building activities	Y	✓
Employee Reward and Recognition	Y	✓
Meal Allowance for employees requested to work overtime		✓
Food and refreshment for Community Gatherings		✓
Staff Kitchen – Tea, Coffee, Milk and Sugar		✓
Food for working meetings over 4 hours in length, over lunch or dinner period, no alcohol or entertainment	Y	✓
Flowers/Gift for bereavement or severe illness for employee or direct relative	Y	✓
Staff retirements >5 years of service	Y	✓
Other recognition/celebration events (ie birthday, new employee)		✗
Parties and employee social functions, including Christmas parties		✗
Employee only business lunches, including coffee meetings (on or off premises) including takeaway coffee		✗
Staff retirements <5 years of service		✗
Social functions, eg Melbourne Cup, end of year celebration		✗
Morning or afternoon tea costs for employees only		✗
Other events as approved by the CEO		✓

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#### 6. Employee Expenses and Expenditure Limits

Employee expenses will be based on the following maximum expenditure limits:

Event Type	Expenditure Limits
Planning Days, including team building events (maximum 1 event per year)	Maximum \$30 per head. Alcohol purchase is prohibited.
Staff Retirements >5 years of service	Maximum catering of \$10 per head to a max cap of \$150 Maximum gift amount \$75
Employee Reward and Recognition	Maximum catering of \$10 per head to a max cap of \$150
Working meetings over 4 hours in length, over lunch or dinner period	Maximum \$25 per head Alcohol purchase is prohibited.
Flowers/Gift for bereavement or severe illness	Maximum \$75 plus delivery

#### 7. Types of Hospitality and Employee Expenses

##### ***Working Meetings***

Standard work meetings conducted over the lunch or dinner period are generally not funded by the Council. Lunch can be provided to working meetings that are over 4 hours in duration and carry over one of the meal periods, and which are ad-hoc in nature. This catering recognises that employees have been required to forgo their lunch break. Working meetings between employees only that are less than 4 hours will not be funded by the Council.

##### ***External Meetings***

External meetings between employees (eg in coffee shop) will not be funded by Council. This also includes the purchase of takeaway coffees for meetings held onsite. Only when an external client or stakeholder is present is there a legitimate refundable expense. In this case, the nature of the business discussion and the number of internal employees and external clients or stakeholders must be recorded with the expense claim.

##### ***Staff Retirement***

A Council event may be held for an employee who is retiring or resigning with 5 years or more of service.

A gift of up to \$75 in value (no alcohol or cash including gift cards) may also be purchased by Council to recognise the positive contribution the employee has made to the community. The positive contribution shall be recorded on the supporting documentation and must be approved by the CEO.

An organisational culture of employee recognition develops engaged and loyal employees.

All other costs are to be met by employees for all other farewell events.

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#### ***Planning Days, including Team Building Events***

Food can be provided in-house or at external venues, in line with the principles and within limits in Clause 6.

#### ***Flowers/Gifts***

When an employee experiences a significant event, be that a death in the family or a serious illness or injury to themselves, we like to show that we care by sending flowers or a gift.

In these events, it is considered appropriate that flowers or a gift are sent on behalf of Council within the agreed limits as per Clause 6.

#### ***Meal Allowance – Overtime***

When an employee is directed to work outside of their normal span of hours the employee is able to claim a meal allowance in accordance with their relevant Enterprise Bargaining Agreement.

If Council has arranged for a meal to be provided the employee is unable to claim a meal allowance.

#### ***Food and Refreshments for Community Gatherings***

Where the Council is holding an information meeting/workshop for Community members to attend, the Council may provide reasonable food and light refreshments.

Alcohol is not to be provided.

#### ***Staff Kitchen Expenses***

Employee refreshments are supplied by Council and are restricted to tea, coffee, sugar and milk. Anything outside of this will be funded by the individual.

#### ***Purchase of Alcohol***

Alcohol will not be provided at employee only events covered by this Policy.

## **8. Gifts and Benefits**

An employee must not accept any benefit from any individual or entity if there may be real or potential risk of compromise or conflict of interest.

Benefits with a value in excess of \$50 must be declared and may be accepted only when approved by the CEO, or in the case of the CEO, by the Deputy CEO. The person approving the benefit will determine if it should be retained by the Council, the employee, or distributed in some other manner. The approval should be documented and saved in the Gifts and Benefits Register.

Where approval cannot be gained, the employee has the responsibility to politely refuse the gift. If refusal has the potential to damage Council's relationship with the person, company or organisation making the offer, then the gift may be accepted, but must be reported immediately to the CEO. They will determine if the gift that has been accepted will become Council property, or whether arrangements should be made to donate it to a charitable institution in the name of the person, company or organisation that provided the gift. The CEO will use their discretion when to advise the Mayor or Council of such action.

Under no circumstances are employees to either accept or receive cash or to solicit or accept discounted goods or services from any Council supplier in the course of expending Council funds.

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Benefits are not to be accepted under any circumstance by an employee who is aware that the benefit is being offered by a supplier who is in the process of tendering for the supply of goods and services to the Council.

Hospitality associated with networking may be accepted by an employee where there can be no real or perceived conflict of interest.

#### **9. Travel Authorisation**

Approval for Elected Members, outside of the Elected Members Training and Development Policy, will generally be approved by Council resolution. Council staff attendance at conferences, seminars and other meetings will be approved by the CEO.

Staff must complete an Application for Training or Development Form and forward to their manager for approval.

##### ***Taxi/Ride Share***

When attending an intra or interstate conference, taxis or ride share to and from the airport, and the hotel to the event is allowable. It is preferable that accommodation is secured within walking distance to the venue, negating the need for transport. Any transport expenses incurred for the employee's own entertainment outside of the conference will be at the employee's expense.

##### ***Flights and Accommodation***

Flights and accommodation should be arranged through the finance team where possible.

Council will meet reasonable costs of accommodation in accordance with the Australian Taxation Office (**ATO**) Determinations. Council will pay for an appropriate standard of accommodation, and acknowledges the economic and practical benefits of being accommodated at, or close to, the venue where the official business will occur.

Council will meet reasonable costs of meals where they are not provided as part of the event. Tax invoices/receipts of purchases will need to be presented for reimbursement in accordance with the ATO rates.

#### **10. Reporting**

Provisions are made within the budget for expenditure relating to hospitality, gifts, recognition and employee expenses, and are reviewed annually as part of the budget setting framework, and are subject to community consultation. If a gift, benefit or expenses is not listed by this policy or associated procedures, it is not permitted, unless prior approval has been granted by the CEO.

A Gifts and Benefits Register is administered by the CEO. Benefits received with a value in excess of \$50 (whether accepted or refused) will be recorded in the Register. Details will include:

- Date received
- Receiver of benefit
- Benefit description
- Approximate value
- Provider of the benefit
- Reason for giving the benefit
- Who approved the receipt or refusal of the gift or benefit

The Register will be updated on the Council website on a quarterly basis.

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Where an employee believes that an offer of a benefit is an attempt to influence the outcome of Council business details are to be provided to the CEO as a matter of urgency.

In addition, in accordance with the Independent Commission against Corruption Act 2012, employees are required to report serious or systemic corruption, misconduct or maladministration that has either occurred, or has come to their attention.

#### **11. Associated Documents**

- Local Government Act 1999
- Local Government (General) (Employee Code of Conduct) Variation Regulations 2018
- Local Government (General) Regulations 2013
- Independent Commissioner Against Corruption Act 2012
- EXXX: Code of Conduct for Council Employees
- EXXX: Code of Conduct for Elected Members
- EXXX: Credit Card Policy
- EXXX: Procurement Policy
- Elected Members Training and Development Policy

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#### APPENDIX 1: Hospitality related expenditure funded / not funded

Expenditure	Funded	Not Funded
Travel Expenses	Funded if related to a business activity	Traffic or parking infringements Travel expenses which are not related to a business activity Travel expenses for any other person who is not a Council employee Alcohol, in-room movies, minibar (except water) and other similar expenses of a private nature Expenses incurred on meals and non-alcoholic beverages which are above the prescribed limit (as per ATO website)
Functions for staff	Only approved organisation wide arrangements	
Lunches, morning and afternoon teas	Funded if related to a business activity	Not funded for social purposes Regular 1:1 meetings or staff informal gatherings not funded.
Gratuities and tips	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 related to a business activity	Hospitality and / or entertainment provided to any organisation involved with the Council in formal tender or expression of interest proceedings.
Personal benefit to staff members or their family or friends	Gifts (refer below)	Expenditure that provides a personal benefit to staff members or their family or friends (unless approved prior by the CEO)
Alcohol	Alcohol may be provided as part of a Civic Event for members of the community	Not funded for social purposes
Venue Hire	The use of external venues can be funded with prior approval from the CEO	
Gifts (including flowers)	Funded up to \$75 per head on approval from the CEO	Alcohol, cash, gift cards



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DOCUMENT HISTORY				
Version	Changes since last version	Approved by	Record No	Issue Date
1	Original	Council		April 2020
2	Updated with new Council format. New title. Significant amendments incorporating appropriate recognition of staff and travel expenses.	Council	12.63.1/7	November 2023