Policy: 2150-055 - Entertainment and Hospitality

Head of Power

Local Government Act 2009

Related Legislation
Local Government Regulation 2012
Fringe Benefits Tax Act 1986
Fringe Benefits Tax Assessment Act 1986

Objective

The objective of this Policy is to establish when expenditure for entertainment and hospitality may be reasonably and appropriately incurred by the Council.

Definitions

CEO means the Council’s Chief Executive Officer.

Councillor means the Mayor and all Councillors.

Employee means all employees of Council, whether employed on a permanent, temporary, or part-time basis and includes volunteers and employees of businesses and entities contracted to provide services to, or on behalf of Council.

Law includes Council policies and directives.

Application

This Policy applies to Council expenditure for the purposes of entertainment and hospitality.

This Policy does not apply to entertainment and hospitality expenditure under Council’s Professional Development Policy or the Gifts, Sponsored Hospitality Benefits, Awards and Prizes Policy.

Policy Statement

Council recognises that reasonable and appropriate expenditure for the purposes of entertainment and hospitality may be incurred by Councillors and employees in the ordinary course of carrying out their respective responsibilities.

When considering whether to incur this expenditure Councillors and employees must have regard to the following:

Expenditure must be:

- in the public interest;
- for Council-related purposes;
- prudent, responsible, acceptable to the community;
- economical and efficient;
- subject to budget provisions; and
- approved prior to the expenditure being incurred where possible.
In accordance with section 196 of the Local Government Regulation 2012, examples of appropriate and reasonable expenditure for entertainment and hospitality includes:

- entertaining members of the public in order to promote a Council project;
- providing food or beverages to a person who is visiting Council in an official capacity;
- providing food or beverages for a conference, course, meeting, seminar, workshop or another forum that is held by Council for its Councillors, employees or other persons (this may include official employer presentations and functions); and
- paying for a Councillor or employee to attend a function as part of the Councillor’s or employee’s official duties or obligations as a Councillor or employee.

Examples of inappropriate and unreasonable expenditure for entertainment and hospitality includes, but is not limited to:

- tips or gratuities;
- dinners/functions at the private residence of a Councillor or Council employee;
- stocking of alcohol (except where approved by the Mayor or CEO); and
- mini bar expenses.

Payment/reimbursement of entertainment and hospitality expenses
Payment/reimbursement of expenditure for entertainment and hospitality for an event or activity being organised by Council is to be approved by the:

- CEO in the case of the Mayor;
- Mayor in the case of the CEO;
- Manager Executive Services in the case of the other Councillors; and
- relevant Director in the case of employees.

The approval process for payment/reimbursement of expenditure for entertainment and hospitality in relation to an event or activity attended by Councillors that is being organised by another organisation is:

- Entertainment and hospitality expenses for local events and activities in the Caboolture, Pine Rivers, and Redcliffe areas will generally be paid/reimbursed for the Mayor and the Councillors that attend from Divisions in the respective areas;
- Entertainment and hospitality expenses for regional events will generally be paid/reimbursed for the Mayor, and for the other Councillors that attend as authorised by the Mayor in consultation with the CEO; and
- Entertainment and hospitality expenses for events outside the region will generally be paid/reimbursed for the Mayor, and the other Councillors that attend as authorised by the Mayor in consultation with the CEO.

Payment/reimbursement of expenditure for entertainment and hospitality for events and activities being organised by another organisation is to be approved by the Mayor in the case of the CEO, and the relevant Director in the case of employees.

Partner expenses
Expenditure for entertainment and hospitality for partners where the attendance is for a function related to official Council business is to be approved by the:

- Mayor in consultation with the CEO in the case of the other Councillors;
- Mayor in the case of the CEO; and
- CEO in the case of the Mayor and employees.
Expenditure on alcohol
Expenditure on alcohol for entertainment and hospitality purposes is only permitted with prior approval by the:

- Mayor in consultation with the CEO in the case of the other Councillors;
- Mayor in the case of the CEO; and
- CEO in the case of the Mayor and employees.

Fringe Benefit Tax Requirements
Fringe Benefit Tax (FBT) may be applicable to some hospitality expenditure. Any queries related to the declaration or the impact of FBT should be referred to the Accounting Services Department.

Related Documents
This policy complements and is to be implemented in conjunction with other Council policies and directives but not limited to:

2150-016 Policy: Professional Development
2150-056 Policy: Gifts, Sponsored Hospitality Benefits, Awards & Prizes

Review Triggers
This Policy will be reviewed for applicability, continuing effect and consistency with related documents and the Law when any of the following occurs:

1. The related documents are amended.
2. The related documents are replaced by new documents.
3. Amendments affecting the scope and effect of a Policy of this nature are made to the Law.

Otherwise, this Policy is to be reviewed at least once every two years for relevance and effectiveness.

Responsibility
This Policy is to be:

1. implemented by the CEO; and
2. reviewed and amended in accordance with the “Review Triggers” by the CEO.