

Personal and Discretionary Expenditures Policy

Section 1 - Purpose and Context

(1) The Western Sydney University is the steward of public funds provided to it for research and educational purposes and the University and its staff are accountable for the expenditure of those funds.

(2) The purpose of this policy is to provide direction and guidance for staff to consider and assess before using University funds where there may be a personal benefit to a staff member or some other person, or where there is some discretion about the nature and quantum of the purchase.

(3) The policy should be read in conjunction with the [Delegations of Authority Policy](#), the [Procurement Policy](#), the [Corporate Credit Card Policy](#), the [Travel Policy](#) and the [Code of Conduct](#).

Section 2 - Definitions

(4) Nil.

Section 3 - Policy Statement

(5) The University is a public statutory body and all of its funds, irrespective of the source, are deemed to be public monies and must be spent for the purposes of the University. The University is publicly accountable for the use of those funds and all staff exercising financial authority under delegation are responsible for ensuring that approvals comply with University policies.

(6) Individuals are entitled to reimbursement of reasonable expenses they incur on behalf of the University.

(7) Managers should lead by example and foster a culture of moderation in the expenditure of University funds. They must give particular scrutiny to expenditure of a personal or non-business nature and exercise good judgement in approving expenditure and the reimbursement of expenses having regard to the [Code of Conduct](#).

(8) Expenditure of a personal or non-business related nature using University funds is reasonable where:

- a. it does not breach any policy of the University;
- b. it is appropriate in the circumstances and consistent with the purposes of the University;
- c. the amount is not more than necessary or appropriate in the circumstance and reflects the actions of a prudent and responsible person;
- d. there is no conflict of interest involved;
- e. there is consistency in application of standards; and
- f. decisions on expenditure are made by delegated officers within their delegation and are appropriately documented.

Section 4 - Procedures

(9) Individuals must comply with all relevant University policies and procedures when authorising expenditure.

(10) Managers should not delegate approval to incur or approve expenditure of a personal or non-business kind. Such expenditure must be charged to the credit card of the officer requesting or approving the expenditure, thereby subjecting it to approval by the manager's supervisor.

(11) In general, a staff member may not approve expenditure where they receive the benefit of the expenditure. Where practicable, such expenditure should be approved in advance by a more senior staff member with responsibility for the area.

(12) Fringe Benefits Tax (FBT) is payable by the University and will be charged to the cost centre and project code incurring the expense.

(13) A staff member who receives a fringe benefit, must:

- a. complete an FBT Expense Payment Declaration and attach it to the payment documentation; and
- b. send a copy of the declaration and payment documentation to the Accountant, Tax and Insurance for inclusion in the relevant FBT calculation and return where the expense is less than 100% income tax deductible.

Section 5 - Guidelines

Part A - Introduction

(14) The financial limits that apply to individuals and positions for University expenditure are set out in Delegation A1 in the [Delegations of Authority Policy](#).

(15) These guidelines provide advice in relation to the types of expenditure that are reasonable for different items, and whether such expenditure attracts FBT and is a reportable benefit.

(16) Staff must pay for items or expenditure that are not covered by these guidelines.

(17) The Vice-Chancellor and President may annually review the level of contribution for any items covered in the guidelines.

Part B - Fringe Benefits Tax

(18) A fringe benefit can arise where:

- a. the University or a third party provides goods or services to a staff member or their associate;
- b. the University pays a staff member's, or their associate's, expenses;
- c. the University reimburses a staff member for an expense.

(19) Fringe benefits tax (FBT) will apply where:

- a. a benefit is provided in respect of the employment of a staff member;
- b. a benefit is provided by the University or a third party under an arrangement;
- c. a benefit is provided to a staff member (present, former and future) or his/her associate. Note: the Income Tax Act 1986 (Cwth) (the Act) defines "associate" as a spouse, partner, child or relative of an employee.

Fringe Benefits Tax Examples

(20) FBT is payable on the fringe benefits taxable amount, which is the taxable value of fringe benefits "grossed up" in accordance with the Act. There are two types of gross-up taxable values of fringe benefit:

- a. where the University may claim GST paid on goods or services acquired to provide fringe benefits, a gross-up rate of 2.1463 applies:
For example, if the goods and services amount to \$100 (including GST), the total cost, including the FBT component, will be \$205.17.
 - i. the FBT liability is calculated as total cost including GST * 2.1463 * 49.0%;
 - ii. the amount of FBT will be equal to 105.17% of the original purchase cost.
- b. where the University may not claim GST, the gross-up rate of 1.9608 will apply:
For example, if the goods and services amount to \$100, the total cost will be \$196.08.
 - i. the FBT liability will be calculated as total cost including GST * 1.9608 * 49%;
 - ii. the amount of FBT will be equal to 96.08% of the original purchase cost.

(21) The Otherwise Deductible Rule determines that the taxable value of a fringe benefit may be reduced to the extent that a staff member would have been entitled to an income tax deduction had they paid for the benefit themselves. Where a staff member is reimbursed an expense for something that would have entitled them to a 100% income tax deduction, the taxable value is reduced to nil.

(22) Where the total benefits provided to a staff member during the FBT year exceeds \$2,000:

- a. the University must pay FBT;
- b. all reportable fringe benefits must be grossed-up at the rate of 1.9608; and
- c. the University will include the grossed-up taxable value of fringe benefits provided to staff and/or their associate on the staff member's payment summary (referred to as Reportable Benefits).

(23) Detailed information about FBT, particularly with regard to entertainment expenses, can be found in the University FBT Guide.

Part C - Personal and Discretionary Expenditure Guidelines

Tea, Coffee, Milk, Sugar

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No	No	-

(24) Reasonable expenditure would include the purchase and supply of limited refreshments for staff and guests, as follows:

- a. basic supplies of coffee, tea, milk/skim milk and sugar/sweetener regularly available in supermarkets for general use by staff, excluding gourmet or specialist varieties;
- b. items for making coffee and tea, such as teapots, plungers, and coffee machines, but excluding high cost/ top end specialised equipment;
- c. tea and coffee to cater for visitors and formal meetings, training sessions, seminars and conferences, which are of reasonable quality and cost. These supplies are not to be available for general use by staff.

(25) Catering attracts a substantial cost and should only be used in appropriate circumstances.

Biscuits, Sweets or Similar Snacks

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No**	No	-

(26) Reasonable expenditure would include biscuits and sweets of a reasonable quality and cost for meetings for visitors and formal meetings, training sessions, seminars and conferences, but would exclude high cost luxury items. These supplies are not to be available for general use by staff.

Drinking Water

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No**	No	-

(27) Reasonable expenditure would include drinking water if in-built filtered water is unavailable. In supplying water, individual units should ensure they carefully choose the method of supply to limit associated costs. Where water is provided, it should be available to staff generally.

Common Area Appliances

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No ** - contingent upon the appliances remaining the property of the University.	No ** - contingent upon the appliances remaining the property of the University.	-

(28) Reasonable expenditure would include basic items (e.g. microwave, toaster, kettle, tea pot, jugs, cutlery and crockery), providing they are located in a designated common kitchen area and accessible to all staff, but excludes luxury and top of the range items. Fridges and dishwashers are supplied at the fit out stage of a building.

Flowers, Gift Baskets and Other Recognition Gifts

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Yes *	Yes *	-

(29) Gifts of recognition, support, sympathy or congratulations would only be reasonable expenditure where the University, a Division or School as a whole formally recognises the event and the Vice-Chancellor and President, relevant Deputy Vice-Chancellor, Vice-President or Dean (e.g. a major award to a staff member) confirms the level of recognition.

Funerals

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Yes *	Yes *	-

(30) Reasonable expenditure would include a wreath or other floral arrangement up to the value of \$100.00, sent on behalf of the University, for the funeral of a student or staff member or a contribution of an equivalent amount to a nominated charity.

(31) Such arrangement or contribution should be clearly denoted as from the University and not from individuals.

(32) In addition, a School or Unit may provide a small gift (up to \$100) to the family of a deceased staff member or student, such as a corporate gift as a memento of the association with the University.

(33) In special circumstances, a Dean, Deputy Vice-Chancellor, Vice-President or Vice-Chancellor and President may approve sending a similar gift of recognition in relation to a person who had a close and beneficial association with the University. Such gifts should be of reasonable cost and clearly denoted as from the University.

Staff Farewell Events

Fringe Benefit Tax	Reportable	Policy Reference
Yes *	Yes *	-

(34) Reasonable expenditure would include:

- a. the cost of a morning or afternoon tea for a departing staff member,; and
- b. where the staff member has been employed with the University for five years or more, a small gift, such as corporate merchandise, to a value of \$10 per year of service.

(35) The Vice-Chancellor and President may approve expenditure on formal University farewells on advice from the relevant senior officer.

Lunches/Dinners at External Venues

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Yes * - other than "reasonable sustenance" consumed on business related travel. However, FBT will apply in instances where staff are being entertained.	No	Travel Policy Corporate Credit Card Policy Staff Conferences and Planning Days Policy Health Safety and Wellbeing Procedures - Alcohol and Drug Control

(36) Reasonable expenditure would include lunch or dinner at an appropriate venue and at an appropriate cost for official visitors/guests and/or those who serve the University on a voluntary basis.

(37) Only University staff who need to attend such a lunch or dinner may be invited and care should be taken in the choice of venue to ensure the expenditure is reasonable and the amount of alcohol provided is limited. The account should normally be settled by the most senior officer in attendance via credit card, and subsequent approval of the payment should be made by a more senior staff member with the responsibility of the area who did not attend the lunch/dinner.

(38) Except in exceptional circumstances, the University will not pay for partners of staff members attending such functions.

(39) With the exception of meals provided under the [Staff Conferences and Planning Days Policy](#), the University will not provide other lunches/dinners for staff or for staff meetings at external venues.

Lunches/Dinners at Internal Venues

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Yes * - other than "reasonable sustenance"	No	Travel Policy Corporate Credit Card Policy Staff Conferences and Planning Days Policy Health Safety and Wellbeing Procedures - Alcohol and Drug Control

(40) Reasonable expenditure would include lunch for participants and presenters involved in all day meetings, training

sessions and seminars or as otherwise provided by the [Travel Policy](#) and/or [Staff Conferences and Planning Days Policy](#).

(41) Staff should avoid organising meeting times during normal lunch hours wherever possible.

(42) Lunch is not generally provided for half day meetings, but may be approved in special circumstances having regard to the nature, duration and purpose of the meeting, the numbers of participants and the amount of travel undertaken by those attending.

(43) Alcohol is not to be served at any internal meetings, and may only be offered when significant guests or community members attend major events or dinner meetings.

(44) The Vice-Chancellor and President, a Deputy Vice-Chancellor or Vice-President may approve dinner in accordance with the University's [Travel Policy](#) and/or [Staff Conferences and Planning Days Policy](#) or in relation to other formal occasions.

Christmas (End of Year) Thank You

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Yes *	No	-

(45) Unit heads may hold a 'Christmas Party/End of Year Thank You' for staff within their functional unit. Reasonable expenditure would include a maximum of \$20 per unit staff member attending such an event.

(46) Before holding such an event, the unit head is to submit for approval a report to their immediate supervisor detailing the cost of the event and the total contribution being made by the University.

(47) The expenditure for these types of functions applies to attendance by staff at one function, not multiple functions, except for campus functions hosted by a Campus Provost.

Morning and Afternoon Teas

(48) The guidelines above apply for expenditure on tea, coffee, milk, sugar, biscuits, sweets or similar snacks with the exception of a modest morning or afternoon tea in respect of substantial long service milestone recognition of more than 10 years at the discretion of the unit head.

Personal Items (Toiletries, clothing etc)

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Not Applicable	Not Applicable	-

(49) Reasonable expenditure would not include items of a personal nature for staff, with the exception of uniforms and protective clothing provided under relevant employment agreements.

Newspapers and Magazines

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No *	No *	IT Acceptable Use of Resources Policy

(50) Reasonable expenditure would not include the purchase of newspapers, magazines and other publications for general interest reading.

(51) Staff should access the University Library's extensive electronic journal and newspaper collections (local and international) that are accessible via the Library web-site E-Resources.

(52) Any proposal to purchase additional newspapers, magazines and other publications must be supported by a clear and documented business case.

Car Cleaning (Personal and/or Salary Sacrificed Vehicles)

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Not Applicable	Not Applicable	Salary Sacrifice (Vehicles Policy)

(53) Except for the cleaning of salary sacrifice vehicles at the time of sale, reasonable expenditure would not include the cost of cleaning staff private vehicles or salary sacrifice vehicles.

Membership of Professional Associations

Fringe Benefit Tax	Reportable Tax	Policy Reference
No *	No *	Personal Professional Association Membership Fees Policy

(54) Payment of fees for membership by staff of professional associations is specified in the [Personal Professional Association Membership Fees Policy](#). Reasonable expenditure would include these fees only where there is a legal or University requirement to maintain a professional membership.

Professional Books and Journals

Fringe Benefit Tax	Reportable Tax	Policy Reference
No *	No *	Library Collection Development Policy

(55) Books and journals purchased using University funds remain the property of the University, except where a book or journal is an approved gift from the University.

(56) Other than in exceptional circumstances, all books and journals acquired using University operating funds, internal or external research funds and/or donations are to be purchased through the Library and not on corporate credit cards. Library-negotiated discounts will be applied to all associated internal budgetary transfers.

(57) All books and journals, irrespective of their location, are to be recorded in the Library system for tracking and audit purposes.

(58) Where the Library does not subscribe to a journal which is required for a functional office of the University to undertake its activities, staff may request a journal selection in accordance with the [Library Collection Development Policy](#).

Travel Expenditures

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No *	No *	Travel Policy

(59) Expenditure while travelling must be in accordance with the [Travel Policy](#).

Taxis and Hire Cars

Fringe Benefit Tax	Reportable Benefit	Policy Reference
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No, if the expense is related to University Business.	No, if the expense is related to University Business.	Travel Policy
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(60) Reasonable expenditure would include the use of taxis and/or hire cars only where pool cars and/or public transport are not available or do not provide a practical and safe substitute. The relative cost of each type of transport should be considered in determining which option to use.

Domestic Internet/Telephone Accounts

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No *	No *	IT Funding of Off-Campus Internet or Intranet Access Policy Mobile Telecommunication Devices Policy IT Acceptable Use of Resources Policy

(61) Reasonable expenditure does not include private internet provider accounts for home computers and/or phones unless they are established and/or used for University business purposes in accordance with applicable University policies.

Fines (including Traffic and Parking Infringements)

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Not Applicable	Not Applicable	Motor Vehicle Policy

(62) Fines are a personal expense and are not to be charged to the University under any circumstances.

Toll Charges

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No, to the extent that the expense is related to University Business. Note that travel between home and place of employment is not University business.	No, if the expense is related to University business.	-

(63) Reasonable expenditure would include the actual cost of toll charges incurred in relation to a business trip. Expenses related to travel between the University and home or any other private venue/event are personal expenditure.

(64) With respect to E-Tags, the following conditions apply:

- a. Pool Vehicles:
 - i. All University pool vehicles are fitted with an E-Tag.
 - ii. The electronically calculated tolls are charged to the same cost centre nominated for the cost of the vehicle hire.
- b. Non salary sacrifice vehicles:
 - i. A unit head may approve University vehicles which are dedicated to the use of a specific budget unit being fitted with a University E-Tag.
 - ii. Staff must submit a written application to the Purchasing Unit, Procurement Office for an E-Tag, which indicates the vehicle registration and is signed by the delegated unit head.
 - iii. All toll charges will be processed via TEMS.
 - iv. Budget units/centres may not open E-Tag accounts directly with the toll companies.
- c. Salary sacrifice vehicles:

- i. University E-Tags are not issued in relation to salary sacrifice vehicles, which have a component of private usage factored into the conditions of use.
 - ii. Staff may be reimbursed for official use of the car on their personal E-Tag by lodging an authorised claim via TEMS.
- d. M5 Rebate Scheme:
- i. For business use, salary sacrifice vehicles are registered "General Private" and staff may claim the rebate from the M5 Cash Rebate Scheme, excluding the GST component.
 - ii. Staff may seek reimbursement for the GST component from the University by lodging an authorised claim via TEMS.

First Aid Items

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No	No	Alcohol and Drug Control Policy First Aid Policy

(65) A unit's Nominated First Aid Officer must ensure first aid kits are fully stocked and will order any replacements via the First Aid Supplies request form.

(66) Reasonable expenditure would not include the purchase of additional non authorised items, such as Panadol and other "over the counter" medications.

Visitor Exchange Gifts

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No *	No *	Gifts and Benefit Policy

(67) The exchange of token gifts should be managed in accordance with the University's [Gifts and Benefit Policy](#), as well as the policies, procedures and laws applicable to the external party.

Donations

Fringe Benefit Tax	Reportable Benefit	Policy Reference
Not Applicable	Not Applicable	Donations and Fundraising Policy

(68) The Vice-Chancellor and President or a Deputy Vice-Chancellor or Vice-President may approve donations to registered charities in exceptional circumstances.

(69) Donations must be provided as a formal donation by the University.

(70) Individual staff may undertake fundraising activities for charitable and other not for profit organisations where the activity is unobtrusive and entirely voluntary.

(71) The [Code of Conduct](#) prevents staff using any University funds to make donations to any political association or political party.

Networking Activities

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No, if the activity is related to University Business	No, if the activity is related to University Business	Gifts and Benefit Policy Conflict of Interest Policy Procurement Policy

(72) Reasonable expenditure would include costs related to networking activities only if there are demonstrable benefits to the University in staff attending the activity and the cost is reasonable in relation to the benefit gained.

Tuition Fees

Fringe Benefit Tax	Reportable Benefit	Policy Reference
No **	No **	Professional Development Policy Academic Development Program (PDP) Policy

(73) Reasonable expenditure would include tuition fees to the extent and in the manner provided in relevant University policies.

* FBT and reportable benefit obligations will apply where the minor and infrequent exemption cannot be applied.

** FBT and reportable benefit obligations will not apply where all relevant University policies are complied with.

Status and Details

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