



Sensitive Expenditure Policy

1. Purpose, Scope and Responsibilities

1.1 Policy Purpose

The purpose of this policy is to ensure all Unitec Employees understand Unitec's Code of Conduct relative to sensitive and discretionary spending, i.e. they will:

- i. Exercise responsible stewardship of Unitec's resources and protect Unitec's reputation in the wider community
- ii. Avoid improper use of the resources of Unitec for private gain or the gain of a third party
- iii. Avoid giving and/or receiving gifts, entertainment, materials, loans or rewards of an excessive nature which could result in loss of objectivity and the promotion of favouritism
- iv. Ensure their financial and other interests and actions do not conflict, have the potential to conflict, or seem to conflict with the obligations and requirements of their Unitec position
- v. Clearly define parameters for sensitive or discretionary spending.

1.2 Application and Scope

This Policy (and its associated procedures) applies to all Unitec employees and contractors (*as some contractors claim for business expenses per their contract*) when they are managing expenditure which could potentially create financial and/or reputational risk to Unitec.

Areas of sensitive expenditure include:

- Entertainment and hospitality
- Gifts, donations and koha
- Goods and services
- Travel and accommodation
- Communication technology

1.3 Principles

Sensitive and discretionary expenditure must:

- have a justifiable and transparent business purpose
- be subject to high standards of probity and financial prudence
- be made with integrity and impartiality
- be appropriate, moderate and conservative, having regard to the circumstances and repercussions
- be able to withstand public scrutiny

1.4 Avoiding Conflict of Interest

Staff must avoid and declare conflict of interest as set out in the *Procurement Policy*. For example, catered events must not be held where they may be perceived as an inducement or reward that might place the employee or an external party under an obligation.

2. Entertainment and Alcohol

- i. Unitec is committed to providing a healthy and safe environment for employees, students and guests. When entertaining employees and guests, health and safety must be considered where alcohol is consumed.
- ii. Food should be provided whenever alcohol is served
- iii. Alcohol consumption during meals when the Employee is travelling will be at the expense of the Traveller.
- iv. Alcohol purchases and events where alcohol is provided requires pre-approval from the Chief Executive.

3. Gifts and Hospitality Received

3.1 Hospitality or gifts to staff

Employees receiving hospitality or gifts on behalf of Unitec should:

- i. accept and acknowledge the gift or hospitality appropriately (i.e. thank the donor) on behalf of Unitec
- ii. pass the gift or hospitality to their Manager or Executive Leadership Team Member in line with their value as outlined in the Sensitive Expenditure procedures
- iii. record the gift in the Register of Gifts and Hospitality (held in Finance)
- iv. Note that Unitec endeavours to use gifts and hospitality in a way that benefits the organisation, e.g. consumables may be used for staff functions, art work may be put on display.

4. Gifts and Farewells Given by Unitec

4.1 Overview

- i. All hospitality and corporate gifts and/or koha must be approved by the Chief Executive or member of Executive Leadership Team who holds the financial delegation to authorise this type of expenditure in accordance with approved budget.
- ii. Gifts from Unitec must be appropriate and expenditure relating to farewells and retirements should not be extravagant or inappropriate for the occasion.
- iii. Unitec funds (other than for a greeting card) are not to be used for the following events/occasions
 - a. Weddings
 - b. Birthdays
 - c. Birth of a child

4.1.1 Gifts to outside parties

Gifts to outside parties cannot be perceived as a tax-free payment for services by stating the gift is to show appreciation.

- i. Unitec funds (up to a value of \$40) may be used for small gifts to acknowledge a person from outside Unitec who is either a visiting academic/keynote speaker or is someone who participates, for example, in some form of workshop or assessment session, and either does not wish to accept payment, or for which payment is not being offered.
- ii. The value of the gift must be lower than the potential payment for services and could be:

- A bottle of wine
- A book token of equivalent value appropriately recorded
- Gift vouchers – Westfield or MTA appropriately recorded
- iii. This does not apply gifts purchased in relation to international marketing which require the approval of the appropriate Executive Leadership Team member.

4.1.2 Gifts to staff

Celebrating business successes or significant achievements is an important part of any workplace and is encouraged by Unitec in terms of our values and the principles of Te Noho Kotahitanga. The nature of the achievement and form of recognition should be appropriately considered including whether a catered event is required. Celebrating does not always mean a catered event is required.

- i. Unitec funds (**up to** a value of \$70.00) may be used for small gifts or catering e.g. a cake, for the following special occasions
 - a small token of recognition (e.g. morning tea, flowers etc.) together with a letter from the Chief Executive/Executive Director or Head of School as appropriate,
 - for an Employee who completes a higher degree, or who has made an exceptional contribution to the life and work of their department
 - Flowers, or an equivalent donation to a charity, where requested, can be given to an Employee or their partner if they have suffered the loss of a close relative

4.1.3 Gifts to departing staff

Unitec funds for the provision of gifts or catering is not an automatic right, requires Manager's and Chief Executive approval and does not replace personal recognition by peers.

Unitec funds may be approved by the Chief Executive to be used to contribute towards a gift or catering where the 'departing' employee is leaving in good standing and has served Unitec for a minimum of two years.

The amount of Unitec funds able to be accessed are outlined below:

- \$20 per year of service (verified via email by Payroll) to a maximum of \$200 unless an exceptional case is put to the Chief Executive

Farewell functions may be held for long-term and/or retiring employees, or senior employees as authorised by the Chief Executive.

5. Staff Events

- 5.1 Unitec recognises that there may be times when a staff event is held supporting the activities of the Institute. In these cases, approval must be sought from the appropriate Executive Leadership Team Member for any staff event not covered in Item 4 above.

The following should be noted:

- Initial approval by a Manager holding the financial delegation to authorise this type of expenditure in accordance with approved budget

- Unitec does not pay for partners who attend Unitec staff events
- where Employees are **required** to attend a staff event, after hours, Unitec may reimburse the cost of travel home
- where Employees **elect** to attend a staff event, after hours, Unitec will not reimburse the cost of travel home
- celebrations or events not necessarily related to Unitec's purpose, but which are organised by Employees, are not considered to be a Unitec event and therefore are funded by private contribution

5.1.1 Christmas / Year-end functions

Unitec provides an annual Christmas function at a level of financial contribution as deemed appropriate by the Chief Executive. All other Schools and team Christmas functions are to be personally funded by staff members.

5.1.2 Café meetings

- Unitec does not fund café meetings between Employees (i.e. no staff on staff coffee meetings)
- When Employees choose to meet in a café, the expense must be privately funded
- Café meetings with external guests may be appropriate, as long as using a café as the meeting venue, rather than Unitec, is genuinely appropriate

5.1.3 Catering for Routine Business Meetings

When making routine business meeting arrangements these should, where possible, be scheduled at a time that does not impact on Employee breaks. When ordering catering, the Sensitive Expenditure Procedures provide guidance as to the appropriate level of expenditure.

(a) Internal Staff Meetings

Refreshments for internal short-duration meetings are available from the appropriate staff kitchens and tea making facilities.

Catering for internal staff meetings (morning teas, lunch, afternoon tea) may be provided as follows:

- A modest working lunch (and refreshments) is acceptable where the meeting runs for most of the day (5+ hours) and where the meeting bridges 12pm – 1pm.
- Morning teas or afternoon teas where the meeting exceeds 4 hours

Exceptions to this must be approved by the appropriate Executive Leadership Team member where this is a justified business purpose and this must be documented on relevant expenditure records.

(b) Meetings with External Parties

Refreshments may be requested and approved for short duration meetings and, where appropriate, a modest working lunch if the meeting spans 12pm – 1pm.

6. Other Sensitive Expenditure

6.1.1 Information technology and equipment

The Controller and Auditor General consider the use of information technology such as mobile phones and laptops as sensitive expenditure. This is because the technology incurs ongoing expenses incurred by, for example, call and network charges.

Approving Managers must be aware of this when approving access to this type of equipment ensuring that there is a clear business purpose, that usage is moderate and expenditure conservative.

6.1.2 Loyalty reward schemes

Loyalty reward schemes generally reward an individual even when the business entity has paid for the goods and/or services.

Loyalty scheme rewards and any prizes gained as part of conducting Unitec business are subject to the following principles:

- If a prize or reward could be perceived as a benefit to an Employee then the Employee must advise their Manager and look to pass the benefit to Unitec
- Employees making purchasing decisions on behalf of Unitec, must not personally receive loyalty rewards as a result of those decisions
- Where possible any loyalty rewards should benefit Unitec and not an Employee.

6.1.3 Sponsorship

Unitec may sponsor Employees for activities not related to their Unitec role (i.e. involvement in a charitable or sporting event) as long as the event or activity is beneficial to Unitec (e.g. through providing publicity for Unitec or Unitec's objectives, or assists with organisational development).

- The value of the sponsorship should be moderate.
- All sponsorship to be approved in advance by the Chief Executive or member of Executive Leadership Team holding delegation to authorise this type of expenditure in accordance with approved budget.

6.1.4 Purchasing Cards

Refer to the *Purchasing Card Policy*

7. Professional memberships and club memberships

7.1 Introduction

Membership of a professional body may be an employment related condition. Professional body membership or club membership is considered sensitive expenditure due to the personal nature of the membership.

Professional body memberships are appropriate if it can be demonstrated that it is relevant to the employees duties and responsibilities and is approved by the Manager holding the appropriate financial delegation.

Unitec does not provide funding for Club memberships.

8. Koha

8.1 Introduction

It is not the intention of these guidelines to try to define 'koha' or make decisions about tikanga Maori.

The intention however, is to provide some guidelines on when is appropriate to give a koha (an unconditional gift) and some guidelines for Unitec on the appropriate amount of koha depending on the occasion.

In many cases koha is viewed as an 'act of reciprocity'. That is, the recipient of the koha usually returns the act when and where it is appropriate. This is sometimes called 'moni whakahoki' which literally means money that is returned. For example when individuals/families make a koha (particularly for tangihanga), this is recorded and at some stage that koha is returned to that individual/family when it is appropriate. Often, this act of reciprocity can take years to be completed.

This however, raises issues for organisations giving koha when there is often not an occasion for this act of reciprocity to occur. Viz a viz, it is therefore appropriate to provide guidelines on how much koha should be given.

It is acknowledged that the principle of 'unconditional gifting' crosses cultural boundaries and therefore these guidelines may also be appropriate for non-Maori situations.

8.2 Tangihanga and Funerals

8.2.1 Unitec Staff

When a Unitec staff member dies and the staff and/or students attend the tangihanga it is appropriate to give a koha to the family or the marae. In these cases Unitec will make a koha of between \$150-\$200. Individuals will also make a personal contribution as appropriate.

8.2.2 Immediate family of Unitec Staff

When an immediate family member of a Unitec staff member dies and staff and/or students attend the tangihanga, it is appropriate to give a koha to the family or the marae. In these cases, Unitec will make a koha of \$100. Individuals will also make a personal contribution as appropriate.

8.2.3 Unitec Students

When a Unitec student dies and the staff and/or students attend the tangihanga it is appropriate to give a koha to the family or the marae. In these cases Unitec will make a koha of \$100. Individuals will also make a personal contribution as appropriate.

8.2.4 All Others

For all other tangihanga, Unitec will not make a contribution and it will be left to individuals to make a personal contribution.

8.3 Unveiling of Headstones

8.3.1 Unitec Staff

For the unveiling of a headstone for a staff member, Unitec will make a koha of \$100. Individuals will also make a personal contribution as appropriate.

8.3.2 Immediate family of Unitec staff

For the unveiling of a headstone of a staff member's immediate family, Unitec will make a koha of \$50. Individuals will also make a personal contribution as appropriate.

8.3.3 Unitec students

For the unveiling of a headstone of a Unitec student, Unitec will make a koha of \$50. Individuals will also make a personal contribution as appropriate.

8.3.4 Kawe Taonga

Literally to mean 'the conveying/ escorting/ taking of a gift'. The gift in this instance refers to a Unitec staff member, when he or she is being taken by members of its School to its new employer. Unitec will make a koha ranging from \$100 - \$300 depending on the status of position, and the number of people in the support group. Individuals may also wish to make a personal contribution as appropriate.

9. Reporting Inappropriate Expenditure

If an employee member has reasonable grounds to believe that the content of this policy is being breached, they must inform their line manager immediately, or make a disclosure in accordance with the *Protected Disclosures of Information Policy*.

10. Appendices

10.1 Definitions

Term	Definition
Discretionary expenditure	This is expenditure on non-essential items at the discretion of an Employee with the delegated financial authority and budget to incur the expense. The expenditure must comply with Unitec Policies and Procedures.
Entertainment-related expenditure	<p>This is defined as food or beverage-refreshment expenses incurred:</p> <ul style="list-style-type: none"> Where an external party is involved, and The purpose of the expenditure is to: <ul style="list-style-type: none"> present Unitec, or provide reciprocity of hospitality, or build business relationship in pursuit of Unitec goals. Where there is expenditure on food or beverage-refreshment in an internal function that is not directly related to a business or Employee professional development purpose.
Sensitive expenditure	<p>This is expenditure that provides, has the potential to provide or has the perceived potential to provide some private benefit to an individual Employee or that is additional to the business benefit to Unitec.</p> <p>It also includes expenditure that could be considered unusual for Unitec's purpose and/or function.</p> <p>Expenditure of a sensitive or discretionary nature is often associated with:</p> <ul style="list-style-type: none"> Provision of alcohol at functions Entertainment Retreats and Planning Days Gifts (given and received) Employee events Travel and use of motor vehicles Professional and club membership Other expenditure related to Employee.

11. Reference Documents

11.1 Compliance with government policies and guidelines

This Policy takes into account the following Government policies and guidelines:

- Controller and Auditor General's Good Practice Guide: Controlling Sensitive Expenditure: Guide to Public Entities (February 2007).

11.2 Compliance with Unitec Corporate Policies and Procedures

Processes and activities must be conducted in accordance with Unitec's Corporate policies and procedures as well as with standards of behavior specified and/or implied by the following:

- Code of Conduct
- Interests Policy
- Delegated Financial Authority Policy
- Purchasing Card Policy & Procedures
- Procurement Policy
- Sensitive Expenditure Procedures
- Expense Claim Policy
- Expense Claim Procedures
- Travel Policy
- Travel Procedures

12. Document Management and Control Details

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