



# Sensitive Expenditure Procedures

## Table of Contents

<b>1. Purpose, application and scope.....</b>	<b>3</b>
1.1 Purpose .....	3
1.2 Application and scope.....	3
<b>2. Alcohol.....</b>	<b>3</b>
2.1 External Events.....	3
2.2 Internal events .....	3
2.3 Procedures .....	4
<b>3. Entertainment (External).....</b>	<b>4</b>
3.1 Introduction.....	4
3.2 Business rules .....	4
3.3 Procedures .....	4
<b>4. Gifts and Hospitality Received .....</b>	<b>4</b>
4.1 Introduction.....	4
4.2 Business rules .....	4
4.3 Procedures .....	5
4.3.1 Hospitality or gifts to staff.....	5
<b>5. Gifts and Farewells Given by Unitec.....</b>	<b>5</b>
5.1 Introduction.....	5
5.2 Business rules .....	5
5.3 Procedures & Guidelines .....	5
5.3.1 Gifts to outside parties .....	5
5.3.2 Gifts to staff .....	6
5.3.3 Gifts to departing staff.....	6
5.4 Koha .....	6
<b>6. Staff Events .....</b>	<b>6</b>
6.1 Business rules .....	6
6.2 Procedures .....	7
6.2.1 Recognition of achievement.....	7
6.2.2 Farewell to colleagues .....	7
<b>7. Travel and Motor Vehicles .....</b>	<b>7</b>
7.1 For details on: .....	7
<b>8. General sensitive expenditure related to staff .....</b>	<b>7</b>
8.1 Introduction.....	7
8.2 Procedures .....	7
8.2.1 Loyalty reward schemes .....	7
8.2.2 Sponsorship.....	8
8.2.3 Tea and coffee.....	8
<b>9. Professional memberships.....</b>	<b>8</b>
9.1 Introduction.....	8
9.2 Procedures .....	8
<b>10. Reference Documents .....</b>	<b>8</b>

10.1	External documents .....	8
10.2	Unitec documents .....	8
<b>11.</b>	<b>Document Management and Control Details.....</b>	<b>9</b>
11.1	Document Details .....	9

# **1. SENSITIVE EXPENDITURE PROCEDURES**

## **1. Purpose, application and scope**

### **1.1 Purpose**

Sensitive expenditure is that which has either the potential to provide or has the perceived potential to provide some private benefit to an Employee or that is additional to the business benefit to Unitec.

Discretionary expenditure is spending on non-essential items at the discretion of an Employee with the delegated financial authority and budget to incur expense on behalf of Unitec. If discretionary expenditure is used to promote goodwill, it must not be seen as an inducement.

These Procedures provide details to assist Unitec Employees to comply with Unitec's Sensitive Expenditure Policy which is designed to:

- a) clearly define parameters for sensitive or discretionary spending
- b) ensure all Unitec Employees understand Unitec's Code of Conduct relevant to sensitive and discretionary spending, i.e. they will:
  - i) exercise responsible stewardship of Unitec's resources by ensuring that any expenditure is incurred with integrity and is moderate and conservative having regard to the circumstances and repercussions
  - ii) protect Unitec's reputation in the wider community
  - iii) avoid improper use of the resources of Unitec for private gain or the gain of a third party
  - iv) 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 favoritism
  - v) 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.

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### **1.2 Application and scope**

These procedures and its associated procedures:

- apply to all Employees when they are managing expenditure of a sensitive or discretionary nature, and which could potentially create financial and reputational risk to Unitec
- focus on those areas of expenditure commonly considered to be of a sensitive nature
- apply to receiving, as well as giving gifts and/or hospitality.

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## **2. Alcohol**

### **2.1 External Events**

The Chief Executive may approve the purchase of alcohol for events which are to be attended by a majority of people external to Unitec, where the purpose of the event is to:

- recognise individuals who have made substantial contributions to Unitec, or
- promote particular projects or programmes.

### **2.2 Internal events**

- i. Approval of the Chief Executive is required for the purchase of alcohol for official internal events, such as the Christmas function and other official occasions
- ii. Food should be provided whenever alcohol is served
- iii. Alcohol may be purchased for evening meals on business travels as long as the expense is paid separately and personally by the Employee in line with the Sensitive Expenditure Policy.

## **2.3 Procedures**

If you are authorised to purchase alcohol ensure the following requirements are met:

- i. written/email pre-authorisation from the Chief Executive to purchase alcohol prior to the event
  - ii. pay a moderate price
  - iii. spirits are not be purchased
  - iv. when seeking reimbursement, provide details of the event including names of attendees, tax receipts and/or other supporting documentation
  - v. the most senior Unitec Employee present at the event must pay for the catering and alcohol
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## **3. Entertainment (External)**

### **3.1 Introduction**

Entertainment related expenditure is defined as entertainment, food or beverage-refreshment expenses incurred where an external party is involved, and the purpose of the expenditure is to present Unitec, provide reciprocity of hospitality or build a business relationship in pursuit of Unitec goals.

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### **3.2 Business rules**

- i. All expenditure relating to entertainment must be pre-authorised by a Manager with delegated financial authority
  - ii. Unitec will generally not pay for entertainment related expenditure for spouses or other family members accompanying an Employee.
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### **3.3 Procedures**

- i. Obtain the Chief Executive's written pre-approval for the event and purchase of alcohol
  - ii. Provide entertainment which is moderate and appropriate to circumstances
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## **4. Gifts and Hospitality Received**

### **4.1 Introduction**

It is often difficult to make a distinction between a token gift of appreciation and a gift that could be construed as an inducement or a reward that could place Unitec under an obligation.

Gifts may be **received** on the following basis;

- given to an Employee for their personal benefit where the value of the gift is less than \$100
  - given to an Employee with the expectation that it will be passed on to Unitec
  - given to Unitec
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### **4.2 Business rules**

- i. It is important that the hospitality, gift or donation will not result in an abridgement of academic freedom or compromise the integrity of Unitec or its Employees
  - ii. Employees are to record promptly in the Register of Gifts and Hospitality (held in the Finance Department), all gifts and hospitality given to the individual of greater value than \$100 per occasion. The details include the names of the recipient and donor, a description of the gift, its purpose and estimated value.
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- iii. Where others could see a gift as an inducement or a reward that might place Unitec or the Employee under an obligation, the gift must be passed to Unitec via an Executive Leadership Member
  - iv. Donors are to be acknowledged appropriately.
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## **4.3 Procedures**

### **4.3.1 Hospitality or gifts to staff**

Employees may accept hospitality or a gift, including prizes and funding to an event on the following basis:

- i. Less than \$100 in value and is infrequent – retained by the employee
- i. \$101 - \$249 in value (whatever the nature) the gift should be entered into Register of Gifts and Hospitality, then passed on to Unitec via an Executive Leadership Member
- ii. \$250 - \$1000 in value must be accepted by the Chief Executive who may decide to leave the gift or hospitality with the Employee or department for their enjoyment or pass on the gift or hospitality to Unitec
- iii. Gifts over \$1000 in value must be accepted by the Chief Executive on behalf of Unitec
- iv. Hospitality events: the offer must be advised to the Employee's Manager (and Executive Leadership Team member) as soon as practicable and prior to the event. The Executive Leadership Team Member may decide to leave the gift or hospitality with the Employee for their personal enjoyment or pass on the gift to Unitec
- v. Staff must not exchange gifts or hospitality for cash, goods or services

## **5. Gifts and Farewells Given by Unitec**

### **5.1 Introduction**

It is important to ensure that gifts given on behalf of Unitec are not seen by others as an inducement or a reward. Presenting gifts which depict Unitec's branding can be an appropriate way of showing appreciation.

### **5.2 Business rules**

- i. All hospitality and corporate gifts and/or koha must be approved by the Chief Executive or member of Executive Leadership Team holding 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.

### **5.3 Procedures & Guidelines**

#### **5.3.1 Gifts to outside parties**

- i. Unitec funds (up to a value of \$40) may be used for small gifts to acknowledge a person from outside Unitec who participates 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. e.g.
  - o A bottle of wine
  - o A book token of equivalent value appropriately recorded
  - o Gift vouchers – Westfield or MTA appropriately recorded

Note: Ensure this type of gift cannot be perceived as a tax-free payment for services by stating the gift is to show appreciation.

- iii. This does not apply to gifts purchased in relation to international marketing which require the approval of the appropriate Executive Leadership Team member.

### **5.3.2 Gifts to staff**

- 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
  - o 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,
  - o for an Employee who completes a higher degree, or who has made an exceptional contribution to the life and work of their department
  - o 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

Note: Gifts (other than greetings cards) associated with Christmas, weddings, birth of a child, or birthdays are not to be purchased with Unitec funds.

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### **5.3.3 Gifts to departing staff**

- i. A collection from colleagues generally provides the funds to purchase a gift for a departing Employee.
- ii. Unitec funds may, however, supplement the collection when:
  - o Unitec is recognising an Employee's long and meritorious service 10+ years
  - o the Employee has served at least two years
  - o the Employee is leaving in good standing
  - o Unitec funds supplementing the gift must not exceed:
    - \$20 per year of service
    - A total value of \$200 from Unitec, except with the approval of the Chief Executive.

Note: This is not an automatic right, requires Manager's approval and does not replace personal recognition by peers. Following Manager's approval, an email from payroll should be requested which verifies the length of service and subsequently forwarded to the Chief Executive along with a request to access Unitec funds.

- o Farewell functions for retiring, senior or long-term Employees may be authorised by the Chief Executive/Executive Director or Head of School
  - o Unitec funds must not be used to pay for gifts where the 'departing' Employee is transferring to another unit within Unitec
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## **5.4 Koha**

When seeking to use Koha as appreciation of services, all relevant information e.g. recipient, purpose, amount, must be forwarded to the Tumu for approval and signed off, before submitting to Finance via Ask Finance.

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## **6. Staff Events**

### **6.1 Business rules**

Approval must be sought from the appropriate Executive Leadership Team member for any staff event that is outside the scope of the events listed in 6.2 below.

- o approved by a Manager holding the financial delegation to authorise this type of expenditure in accordance with approved budget.
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- 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 for 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
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## **6.2 Procedures**

### **6.2.1 Recognition of achievement**

- i. Employees may be provided with a morning and/or afternoon tea to recognise team achievements or milestones
- ii. A staff event in recognition of team/individual achievements or milestone should not be organised more frequently than once a year
- iii. The choice of venue must be appropriate to the occasion and must be moderately priced.

### **6.2.2 Farewell to colleagues**

- iv. Unitec funds for the provision of gifts and/or catering is not an automatic right, requires Manager's and Chief Executive approval and does not replace personal recognition by peers.
  - v. Unitec may fund a single farewell function, subject to the event being within budget, culturally appropriate, held at an appropriate time of day, and of a size and scale commensurate with the Employee's length of service and role.
  - vi. The choice of venue must be appropriate and if the event is held off campus, the venue must be moderately priced.
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## **7. Travel and Motor Vehicles**

### **7.1 For details on:**

- i. travel expenditure, see Unitec's Travel Policy and Travel Procedures
  - ii. use of Unitec pool motor vehicles, see Unitec's Vehicle Policy and Procedures.
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## **8. General sensitive expenditure related to staff**

### **8.1 Introduction**

Unitec provides Employees with some services and items that Employees may not realise are related to sensitive expenditure.

This section describes the business rules related to these type of expenditures.

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## **8.2 Procedures**

### **8.2.1 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
- Employee 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.

### **8.2.2 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 must 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.

### **8.2.3 Tea and coffee**

- Unitec provides tea, instant coffee, milk and sugar for refreshment for Employees
- Plunger or filter coffee (not coffee beans) may be provided for meetings and functions that include guests.

## **9. Professional memberships**

### **9.1 Introduction**

Membership of a professional body may be an employment related condition.

Professional body membership is considered sensitive expenditure due to the personal nature of the membership.

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### **9.2 Procedures**

- i. Payment of professional membership is appropriate if;
  - it is part of the condition of employment
  - relevant to the performance of the staff member's duties and responsibilities
  - meets the above criteria and is approved by the Manager holding financial delegation to authorise this type of expenditure in accordance with an approved budget.

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## **10. Reference Documents**

### **10.1 External documents**

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

### **10.2 Unitec documents**

- Sensitive Expenditure Policy
- Procurement Policy
- Interests Policy
- Koha Procedures
- P Card Policy and Procedures
- Expense Claim Policy
- Expense Claim Procedures
- Travel Policy
- Travel Procedures



## **11. Document Management and Control Details**

### **11.1 Document Details**

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