Hospitality Policy

Section 1 - Preamble

(1) Charles Darwin University ('the University', 'CDU') recognises that the provision of hospitality can result in significant benefits to the institution, particularly in promoting the University as a whole and the activities of the various faculties and organisational units.

Section 2 - Purpose

(2) This policy ensures that hospitality activities are appropriate, that standards of accountability are maintained, and that hospitality activities are consistent across the University.

Section 3 - Scope

(3) This policy applies to all University staff who manage University funds and organise functions, events, and hospitality.

Section 4 - Policy

Primary purpose of the function

(4) Corporate hospitality activities should only be arranged where there is a clear benefit to be obtained for the University, such as the facilitation of sponsorship for University activities, enhancing the University's community engagement activities, or as part of fund-raising projects. Hospitality should not be a substitute for business meetings, which would ordinarily be conducted in the workplace.

(5) The justification for the incurring of expenditure is underpinned by three principles:

a. the expense must be for official purposes;
b. the expense must be reasonable, able to withstand public scrutiny, and comparable to current government; and
c. the expense must be incurred for a specific outcome that can be demonstrated to be of benefit to the University.

(6) The attendance of University employees should be limited to those with a direct involvement in the business being conducted. Costs of providing hospitality must be proportionate to the benefits obtained for the University and would be considered reasonable in terms of community expectations.

(7) Ordinarily, hospitality will occur at venues on University campuses, although the provision of hospitality off-campus or at a staff member's home is permitted.

(8) Anticipated outcomes should be documented at the time of approval and appropriate documentation to substantiate expenditure for hospitality (and for Fringe Benefits Tax purposes) must be maintained.

This policy document may be varied, withdrawn or replaced at any time. Printed copies, or parts thereof, are regarded as uncontrolled and should not be relied upon as the current version. It is the responsibility of staff printing this document to always refer to the Governance Document Library for the latest version.

(9) Written approval should be obtained prior to the incurrence of any expenditure. The financial delegate approving expenditure must be satisfied that the expenditure incurred, or to be incurred, is in relation to official duties, is reasonable, and is publicly defensible.

(10) The Vice-Chancellor and members of the Senior Executive Team may approve the use of University resources for hospitality activities.

a. The Director Student Engagement may approve the use of Student Services and Amenities Fee (SSAF) funds, in accordance with the SSAF funding guidelines, for hospitality activities.

(11) On occasion, functions may be arranged which involve only the participation of University staff and the provision of hospitality is incidental to the primary purpose of the function. The primary purpose of these functions must be to further the aims and objectives of the University or the organisational unit. A statement outlining the circumstances must be attached to the financial documentation and recorded in the University's Expense Management System. This enables the correct determination of Fringe Benefits Tax liability for the cost centre.

(12) The University will not meet the costs of tipping, unless in exceptional circumstances or where dictated by national custom.

Participants at hospitality functions

(13) Participants at functions covered by this policy should normally be restricted to University staff and individuals external to the University who it is believed will contribute to the University's objectives.

(14) On occasion, attendance at hospitality functions by a staff member's spouse or partner (associates) may be appropriate. Prior approval for attendance by associates should be obtained from the Vice-Chancellor or relevant member of the Senior Executive Team.

Functions for which hospitality will not be provided

(15) The University will not provide hospitality for:

a. Staff social events; or
b. Team functions to celebrate Christmas or other cultural or religious festivals.

(16) These functions may be funded by voluntary employee contribution.

Other functions for which hospitality may be provided

Functions celebrating teams, projects, or staff members

(17) In exceptional circumstances, the Vice-Chancellor or a member of the Senior Executive Team may approve the use of University resources for functions celebrating the work of a particular team, project, or individual staff member.

(18) The Vice-Chancellor or a member of the Senior Executive Team may approve the use of University resources for employee retirement functions.

(19) Hospitality celebrating teams, projects, or staff members incurs Fringe Benefits Tax, which must be accounted for in the planning and approval of expenditure.

Functions for the benefit of the University community

(20) For the benefit of the University community or a segment of the University community, the University may host functions and other hospitality that do not contribute to the operations of the University.

(21) Such functions and hospitality should not be limited by faculty or organisational unit.

(22) The cost for such hospitality may be paid in full by the University, or the University may sell tickets or require a co-payment to participate.

(23) Hospitality for the benefit of the University incurs Fringe Benefits Tax, which must be accounted for in the planning and approval of expenditure.

Functions not considered hospitality but for which food/drinks may be provided

(24) The following functions are not considered as expenditure on hospitality:

a. eligible working meals (light lunches/meals on a working day – two course with no alcohol) and morning teas;
b. conference or seminar of more than 4 hours (excluding meal breaks);
c. professional development seminars;
d. meals consumed on work related travel (unless they are specific hospitality functions);
e. minor incidental expenditure for items such as tea, coffee, biscuits for servicing meeting rooms.

(25) Refreshments under these circumstances should be regarded as incidental to the activity being performed and charged to the appropriate use code, not hospitality.

Receiving hospitality

(26) Members of the University community who are offered hospitality must follow the Gifts and Benefits Policy and consider whether the situation could give rise to an actual, potential, or perceived conflict of interest. If staff accept hospitality from external persons or organisations, they must declare it through the Gifts and Benefits eform.

(27) Actual, potential, and perceived conflicts of interest must be managed in accordance with the Conflicts of Interest Policy and Conflicts of Interest Procedure.

(28) Staff who in the preceding 12 months have accepted gifts or benefits, including hospitality, from a prospective or current supplier, service provider, or University partner must recuse themselves from any procurement process relating to that supplier or service provider, including contract renewal or variation.

(29) A hospitality benefit may be accepted only if it complies with all of the following principles:

a. refusal would offend;
b. it conforms to normal business practice or other cultural practices of the giver;
c. it does not influence a member of staff in such a way as to compromise impartiality or create a conflict of interest; and
d. it is received in the course of duty in respect of, work area responsibilities or prior approval has been received in accordance with the Gifts and Benefits Policy.

Fringe Benefits Tax

(30) Fringe Benefits Tax is imposed on certain hospitality/entertainment expenditure at the current legislated rate. Fringe Benefits Tax is applied to that portion of expenditure which provides hospitality to University staff or their associates (including partners or spouses).

Section 5 - Non-Compliance

(31) Non-compliance with Governance Documents is considered a breach of the Code of Conduct – Staff or the Code of Conduct – Students, as applicable, and is treated seriously by the University. Reports of concerns about non-compliance will be managed in accordance with the applicable disciplinary procedures outlined in the Charles Darwin University and Union Enterprise Agreement 2025 and the Code of Conduct – Students.

(32) Complaints may be raised in accordance with the Code of Conduct – Staff and Code of Conduct - Students.

(33) All staff members have an individual responsibility to raise any suspicion, allegation or report of fraud or corruption in accordance with the Fraud and Corruption Control Policy and Whistleblower Reporting (Improper Conduct) Procedure.

Status and Details

Status	Current
Effective Date	20th March 2023
Review Date	20th March 2026
Approval Authority	Vice-Chancellor
Approval Date	18th March 2023
Expiry Date	Not Applicable
Responsible Executive	Bryce Dorrian Chief Financial Officer
Implementation Officer	Al Flores Associate Director Financial Performance
Enquiries Contact	Al Flores Associate Director Financial Performance --- Finance

Glossary Terms and Definitions

"Faculty" - An organisational and academic unit in the University that delivers courses and conducts research.

"Entertainment" - The University participating in events or entering into arrangements which provide the opportunity to host and extend entertainment (which may or may not involve the provision of hospitality) to invited guests. Examples of such entertainment include: hosting in corporate boxes at sporting or cultural events; or hosting at functions such as special dinners, receptions, performances or other major events being conducted either on or off campus.

"Hospitality" - The University providing meals or refreshments to visitors of the University or other off-campus locations for business reasons, organising other functions which further the objectives of the University, or entertaining individuals at special events conducted on University grounds or other locations. OR The friendly reception and entertainment of guests. Examples include, luncheons, dinners, invitations to sporting, musical or theatrical events or other similar corporate hospitality, planned or impromptu light refreshments at a business meeting, expensive restaurant meals and sponsored travel and accommodation. The value of hospitality is calculated on a per head amount.