

DISCRETIONARY EXPENDITURE AND GIFTS POLICY

Section	Finance
Contact	Chief Financial Officer
Last Review	May 2016
Next Review	May 2019
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Purpose:

The purpose of this policy is to:

- Set out clearly defined parameters for discretionary expenditure and gifts.
- Ensure that discretionary expenditure and gifts are assessed, authorised and reviewed consistently for all Massey University (the “University”) staff.
- Ensure all discretionary (sensitive) expenditure and gifts received meet standards of probity expected of a publicly funded organisation.

Policy Principles:

- Discretionary expenditure and gifts are to be managed in accordance with the guidance for public sector entities as described in the Controlling Sensitive Expenditure: Guidelines for Public Entities, published from time to time by the Office of the Auditor General.
- The manager responsible for the relevant budget centre will be accountable for financial decisions that breach this policy.
- The University’s Delegations of Authority Document should be read in conjunction with this policy.
- Any expenditure occurred must be reasonable and have a justifiable business purpose.

Policy

1. Entertainment Related Expenditure

Entertainment related expenditure is defined as food/refreshment expenses incurred where an external party is involved, and the purpose of the expenditure is to represent the University, provide reciprocity of hospitality or build business relationships in pursuit of University goals.

All expenditure relating to entertainment must be authorised by a manager with delegated authority as outlined in the Delegations of Authority Document and in accordance with guidelines included in the Discretionary Expenditure and Gifts Procedures. Under no circumstances should a staff member of equal or less seniority authorise expenses in relation to entertainment.

The University will not pay for entertainment related expenditure for spouses or other family members accompanying a staff member. The Vice-Chancellor’s prior written approval is needed before any exception is made to this rule.

2. Alcohol

a) External

If it is appropriate to purchase alcohol for official entertainment/external events approval must be obtained from the Head of Department/Institute/School or Director (HOD/I/S) or Senior Leadership Team (SLT) member.

The expense incurred must be reasonable and justifiable (for example no more than \$65 should be spent on a bottle of wine).

b) Internal

With the exception of events approved by the Vice-Chancellor, End of Year functions, and long serving staff retirement functions,; - the University will **not** pay for alcohol for internal events, staff meetings and for overnight stays when on University business. Transport (bus) to be provided for off-campus End of year functions.

3. Hospitality or Gifts Received

Staff may accept hospitality and corporate gifts, including prizes if the gift is infrequent and inexpensive or is an important networking opportunity - except where:

- there is a perceived or actual conflict of interest;
- it could be viewed by others as an inducement or reward that might place the University under an obligation; or
- staff are involved in a tender process.

Under no circumstances may gifts be exchanged for cash nor can goods, works and/or services be received, or seen to be received, by staff, their partners or family for private use. This includes the provision of goods, works and/or services at discounted rates (unless approved by the University) that are, or appear to be, derived from suppliers of such goods, works and services to the University.

Where a gift or hospitality is received by a staff member with a value of \$75 or more, or where the gift is perceived to be of a sensitive nature, the staff must obtain approval in accordance with the limits outlined in the procedures. Details of the gift (recipient, donor, value, description and purpose of the gift) must be entered into a gifts register. Each SLT member or their nominee must maintain a gift register for this purpose.

Where the gift is made to the University, with the exception of cash gifts, staff may accept the gift on behalf of the University up to the value of \$200. All cash gifts and gifts or offers of gifts to the University of \$200 or above, and any gifts with conditions attached, must be referred to the Assistant Vice-Chancellor, Strategy, Finance, IT and Commercial Operations (AVC SFIC)). If the gift is accepted the AVC SFIC or their nominee must maintain a register of gifts to ensure that they are appropriately recorded and accounted for.

The opportunity for passing the gift to the Massey University Foundation Trust should be considered prior to acceptance.

4. Hospitality, Gifts and Koha Given

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It may be considered appropriate to provide hospitality, gifts and/or Koha where the expenditure depicts the University's branding and/or is a token gift, which would not be seen by others as an inducement or a reward.

- All hospitality and/or corporate gifts and/or Koha must be approved in advance and paid from approved budgets. HOD/I/S approval is required for gifts and Koha over \$200 and up to, and including, \$500 per recipient. The HOD/I/S or their nominee is required to maintain a gift register and all gifts and Koha given by the University must be reported via this gift register. The gift register details the recipient, donor, value, description and purpose of the gift/Koha.

For amounts over \$500 and up to and including \$2,000 approval from the AVC SFIC is required. All other payments require the approval of the Vice-Chancellor.

Koha may not be paid to individuals, and must be paid by cheque to an organisation or marae. Any payments other than by cheque must be approved in advance by the Chief Financial Officer. There should only be one payment from the University.

This policy acknowledges gifts (which could be in the form of vouchers) in recognition of participants time in research study is a legitimate University business expense.

Under no circumstances can these gifts/Koha given be exchanged with the University for cash, or be used as a substitute for legitimate payment or remuneration.

5. Staff Welfare Payments

The University may cover or reimburse the cost of:

- flowers or gifts for personal events related to staff members and their immediate family such as births and deaths **up to** the value of \$100;
- expenditure that improves working conditions such as the cost of flu injections;
- farewell gifts for retiring or long-term staff **up to** the value of \$100. Farewell gifts for other staff would normally be by private donation. Farewell functions for retiring, senior or long-term staff must be authorised by the relevant SLT member.

All Staff Welfare Payments are to be made at the discretion of the relevant HOD/I/S or SLT member

6. Professional Memberships

Professional memberships may be paid on behalf of a staff member by the University. The membership must be required for professional registration purposes and/or be clearly relevant to the performance of the staff member's duties and responsibilities.

Professional memberships may be paid from recovery accounts where the staff member can clearly demonstrate relevance of the membership to performance of the staff member's duties and responsibilities, and prior approval has been obtained from the relevant HOD/I/S.

7. Reporting of Inappropriate Expenditure – Individual Responsibilities

Staff who consider there are grounds for enquiry into inappropriate expenditure must advise their manager or the AVC People and Development or AVC SFIC and/or the Risk Manager immediately. Alternatively, disclosure may be made under the Protected Disclosures Act 2000, Disclosure of Serious Wrongdoing Policy and associated University procedures.

8. Monitoring and Review

Compliance with this policy will be monitored through a programme of management review and internal audit. In addition, compliance with relevant legislation and “good business practice” is reviewed annually as part of the external audit programme and in accordance with good practice guidance detailed in ‘Controlling Sensitive Expenditure: Guidelines for Public Entities’ (Office of the Auditor-General, February 2007).

9. Exceptions

The Vice-Chancellor (or delegate) may approve exceptions to this policy.

Audience:

All staff

Relevant Legislation:

Public Finance Act 1989 and amendments
Financial Reporting Act 1993 and amendments

Legal Compliance:

Public Finance Act 1989 – The purpose of the Public Finance Act is to provide a framework for parliamentary scrutiny of the Government's expenditure proposals and the Government's management of its assets and liabilities. It also clarifies the lines of responsibility for effective and efficient management of public financial resources, spells out minimum reporting obligations of Ministers and Departments and safeguards public assets by providing control over the borrowing of money.

Financial Reporting Act 1993 and amendments – The purpose of the Financial Reporting Act 1993 and amendments is to provide a framework for financial reporting. It also clarifies the lines of responsibility for effective and efficient reporting and outlines the minimum reporting obligations of parties.

Related Procedures and Documents:

[Discretionary Expenditure and Gifts Procedure](#)
[Credit Card Policy](#)
[Credit Card Procedures](#)
[Delegations of Authority Document](#)
[Procedure for the Disclosure of Serious Wrongdoing \(Whistleblower\)](#)
[Procurement Policy](#)
[Procurement Procedures](#)
[Protected Disclosure Policy](#)
[Reimbursement of Expenses Policy](#)
[Travel Policy](#)
[Travel Procedures \(Domestic and International\)](#)

Document Management Control:

Prepared by: Chief Financial Officer
Owned by: Assistant Vice-Chancellor – Strategy, Finance, IT and Commercial Operations

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