



**TATIARA DISTRICT COUNCIL**

# **HOSPITALITY, RECOGNITION, GIFT AND EMPLOYEE EXPENSES POLICY**

Version:	00
Last revised date:	n/a
Minutes reference:	Agenda item 16.4, 14 November 2023. 2023/407 Resolution # 2023/407
Next review date:	Council will review this policy every two years
Applicable Legislation:	<i>Local Government Act, 1999</i> <i>Local Government (General) (Employee Code of Conduct) Variation Regulations 2018</i> <i>Local Government (General) Regulations 2013</i> <i>Independent Commissioner Against Corruption Act 2012</i>
Related Policies:	Credit Cards Policy Employee Conduct Policy Travel & Accommodation Policy
Related Procedures:	Nil
Other relevant documentation:	Nil

## 1. Purpose

This Policy sets out the provisions for when it is appropriate to give or receive a gift, to provide hospitality for official purposes at the Council's expense and or reward/recognise employees for their contribution, significant efforts and achievements related to key outcomes or deliverables for our community. In certain circumstances, hospitality is provided to stakeholders of Council and in limited circumstances, to Council employees as a part of an official corporate function.

This Policy also clarifies the circumstances where it is appropriate for an employee to claim an expense. It defines the types of employee expenses that may be incurred and the allocated expense limits.

## 2. Objectives

Tatiara District Council is committed to the efficient and responsible use of public resources. This Policy sets out when it is appropriate to both receive and provide gifts, benefits and hospitality, and recognise achievement using public resources. Where the transaction is considered "sensitive type expenditure" there must be a greater awareness of the perception of the community and higher levels of scrutiny regarding an acceptable business purpose.

In alignment with our culture and organisational values coupled with a strong focus on delivering an exceptional customer experience, we recognise and value our employees. We are committed to acknowledging and rewarding the work performance and behaviours of employees and teams that support and contribute to our vision and values. Recognition occurs in many ways and sometimes may require the use of public funds to administer.

### 3. Principles

The following principles must be met for the use of public funds to be considered appropriate:

- (a) the business purpose of the expenditure is clearly justified, at the time the expenditure is necessary for the Council to carry out its functions and to realise its strategic and business plan objectives;
- (b) the transaction is compliant with relevant council policies and within financial delegations;
- (c) the transaction is reasonable for the circumstances and publicly defensible;
- (d) the transaction record is properly documented and explains the nature of the expense.

### 4. Scope

This Policy is applicable to all employees of Tatiara District Council and applies to all functions, held both on and off Council premises.

This policy is not applicable to:

- Events and activities funded personally by employees (i.e. social clubs)
- Volunteers

Note: The provisions for Elected Member and employee travel are covered in the *Travel & Accommodation Policy* and remain unchanged. Hospitality provisions for Elected Members are contained in the *Elected Members Allowances and Support Policy*.

### 5. Policy Statement

#### 5.1 Approval Authority

All employee expenditure must be approved in line with financial delegations prior to being incurred.

Approval Authority refers to:

- An employee's Manager
- A Director, in the case of Managers
- The CEO, in the case of Directors, and
- The Mayor, in the case of the CEO.

If expenditure is likely to vary from this Policy, prior approval in writing is required from the CEO, or in the case of the CEO by the Mayor.

Any requests for approval must clearly explain how the principles are met including those attending, expected benefits to Council and relevant budget costings in line with any expenditure limits prescribed.

If approval is not obtained in accordance with the above, the funds will need to be reimbursed by the employee.

**TABLE 1: HOSPITALITY AND EMPLOYEE RELATED EXPENDITURE FUNDED/NOT FUNDED CHECKLIST**

<b>Expenditure Type (limits apply)</b>	<b>Funded</b>
Advocacy/strategic relationships on or off premises	✓
Alternate transport (e.g. ride share) or accommodation only as per Employee Travel Policy	✓
Meetings with external clients/stakeholders on or off premises up to Table 2 limits	✓
Planning days including team building activities (approved up to Table 2 limits)	✓
Employee Reward/Recognition (approved refer to Table 2 limits)	✓
Meal allowance as per Enterprise Agreements for employees working overtime and unable to return home	✓
Food and refreshment for Community Gatherings	✓
Staff Sustenance/Refreshments – Coffee, Tea, Milk and Sugar	✓
Sustenance for working meetings over 4 hours, over lunch period, no alcohol	✓
Reimbursement for Taxi/Rideshare (e.g. Uber, Ola) attendance at approved intra- or interstate conferences	✓
Venue hire only with approval	✓
Any other event approved by the CEO	✓
Flowers for bereavement for employee or direct relation \$75	✓
Staff retirements/corporate farewells >= 20 years of service	✓
Years of service recognition >= 20 years	✓
Alcohol except when required for catering/resale at community events	✗
Flowers – employee to employee, organisation to employee	✗
Other recognition/celebration events (birthday, new employee)	✗
Parties and employee social functions incl Christmas parties	✗
Employee only meetings (on or off premises) incl takeaway coffee	✗
Staff retirements or farewells (less than 20 years of service)	✗
Social functions – e.g. Melbourne Cup, employee achievement, end of year celebration	✗
Morning or afternoon tea for employees only (excluding those for approved reward and recognition and year of service)	✗
Wedding anniversary/birthday, farewell cards etc to employees	✗
Staff gift cards and loyalty programs	✗

**TABLE 2: TYPES OF EMPLOYEE EXPENSES AND EXPENDITURE LIMITS**

Employee expenses will be based on the following maximum expenditure levels described in Table 2 below:

Employee reward /recognition approved by Director	Maximum catering for morning/afternoon tea \$5.50 per person to a max cap of \$100
Corporate farewells /retirement >= 20 years of service.	Maximum catering for morning/afternoon tea \$5.50 per person to a max cap of \$100
Years of Service recognition >=20 years	Maximum catering for morning/afternoon tea \$5.50 per person to a max cap of \$100
Working meetings over lunch period and greater than 4 hour duration (approved by Director)	Sustenance/ light refreshments maximum \$25 per employee
Flowers – Bereavement only (refer 5.2.7)	Maximum of \$75

## **5.2 Types of Hospitality and Employee Expenses**

### **5.2.1 Working Meetings**

Standard work meetings conducted over the lunch period are generally not funded by the Council. Lunch can be provided to working meetings that are over 4 hours in duration and carry over into the lunch period (between 12-2pm). This catering recognises that employees have been required to forgo their lunch break. Working meetings between employees only that are less than 4 hours will not be funded by the Council.

### **5.2.2 External meetings**

External meetings between employees (e.g. in coffee shops) will not be funded by Council. This also includes the purchase of takeaway coffees for meetings held onsite. Only when an external stakeholder is present is there a legitimate refundable expense. In this case the nature of the business discussion and the number of internal employees and external stakeholders must be recorded with the expense claim.

### **5.2.3 Corporate farewell /retirement**

An event may be held by the organisation for an employee who is retiring or resigning with 20 years or more of service.

For all other farewell events costs will not be met by Council.

### **5.2.4 Years of Service recognition.**

In recognition of a staff member's long-term commitment to the organisation, where the employee has achieved 25 years of service, a morning/afternoon tea event may be held at which a certificate of appreciation will be presented by the CEO. Certificates will be presented for each subsequent 5 yearly intervals of service.

Employees who have 20 or 15 years of service will receive a certificate of appreciation from the CEO.

### **5.2.5 Council and Committee meetings**

Considering the afterhours nature of the meetings and frequent attendance of members of the public, food and light refreshments may be provided inhouse. Alcohol will not be provided.

### **5.2.6 Employee reward/recognition**

Employee recognition acknowledges and honours the positive contributions a person makes to their team, organisation or community. This can include their unique contribution, expertise, character, efforts and dedication to their work or achieving results.

An organisational culture of employee reward and recognition develops engaged and loyal employees, recognition can range from something as simple as a thank you, to something more formal like an award or certificate of appreciation. Given that ratepayers fund the operations of Council the use of public funds for any reward or recognition must be carefully considered as to whether this is appropriate and defensible.

If employees are to be recognised for a significant performance achievement using public funds it should be timely and clear how the performance exceeded expectations in a request which also details the community benefit.

### **5.2.7 Flowers**

When an employee experiences a life changing event, be that a death in the family, the birth of a child or a life-threatening illness, we like to show that we care by sending flowers.

Unfortunately, as a local government authority using ratepayer funds, this expenditure when applied across a large workforce such as ours can be viewed as excessive.

In the event of the death of an employee or their direct relation (parent, partner or child) it is considered appropriate that flowers are sent on behalf of the Council within an agreed limit as per Table 2.

For all other occasions, employees have the option to send flowers by way of a collection of donations from employees.

### **5.2.8 Working Late – Outside Normal Span of Hours**

When an employee is directed to work outside of their normal span of hours the employee can claim a meal allowance in accordance with their relevant Enterprise Agreement.

If Council has arranged for a meal to be provided, the employee is unable to claim a meal allowance.

### **5.2.9 Taxi Usage**

When an employee attends an intra-/interstate conference, Council will reimburse a taxi or rideshare to and from the airport, and the hotel to the event. It is preferable that accommodation is secured within walking distance to the venue, negating the need for transport. Any transport expenses incurred for the employee's own entertainment outside of the conference will be at the employee's expense.

#### **5.2.10 Food and Refreshments associated with Community Gatherings**

Where the Council is holding an event for community members/businesses/ratepayers to attend, the Council may provide reasonable food and light refreshments.

#### **5.2.11 Employee Refreshments**

Employee refreshments are supplied by Council and are restricted to tea, coffee, sugar and milk. Anything outside of this will be funded by employees, for example coffee for pod style machines.

#### **5.2.12 Purchase of Alcohol**

Alcohol will not be provided at employee or Council only events.

### **5.3 Gifts & Benefits**

The below indicates the circumstances where it is inappropriate to use Council funds for the provision of gifts:

- **Employee to employee** – Gifts of any kind from employee to employee using Council funds are not permitted. This includes giving of cards, cakes, flowers for the birth of a baby, birthdays and social functions.
- **Third party to employee** – Section 119A of the *Local Government Act 1999* makes provision for employees of a Council who receive a gift or benefit. An employee must not accept any benefit from any individual or entity if there may be a real or potential risk of compromise or conflict of interest.

Benefits with a value in excess of \$50 must be declared and may be accepted only when approved by the Chief Executive Officer; and in the case of the Chief Executive Officer, the Mayor. The CEO, or Mayor in the case of a benefit received by the CEO, will determine if it should be retained by the Council, the employee or distributed in some other manner. The approval should be documented using the Gifts & Benefits form.

Where approval cannot be gained, the employee has the responsibility to politely refuse the gift. If refusal has the potential to damage Council's relationship with the person, company or organisation making the offer, then the gift may be accepted but must be reported immediately to the Chief Executive Officer. They will determine if the gift that has been accepted will become Council property, or whether arrangements should be made to donate it to a charitable institution in the name of the person, company or organisation that provided the gift. The Chief Executive Officer will use their discretion when to advise the Mayor or Council of such action.

Under no circumstances are employees to either accept or receive cash or to solicit or accept discounted goods, points from loyalty rewards programs (in the course of expending Council funds), or services from any Council supplier.

Benefits are not to be accepted under any circumstance by an employee who is aware that the benefit is being offered by a supplier who is in the process of tendering for the supply of goods and services to the Council.



Hospitality associated with networking may be accepted by an employee where there can be no real or perceived conflict of interest. The employee should ensure that the venue is appropriate and should suggest an alternative venue if it is thought that the venue could cause embarrassment to the Council.

## 6. Reporting

Provisions are made within the budget for expenditure relating to hospitality, gifts and employee expenses and are reviewed annually as part of the budget setting framework and subject to community consultation. If a gift, benefit or expense is not listed in this policy or associated procedures, it is not permitted, unless prior approval has been granted by the Chief Executive Officer.

The following payment mechanisms are used by Council, and employees must ensure they are complying with the relevant policies and procedures:

- Corporate Credit Card
- Accounts Payable

All gifts, benefits or hospitality with a value in excess of \$50 offered to or received by employees are to be reported to the Chief Executive Officer.

A Gifts & Benefits Register is administered by the Chief Executive Officer's Executive Assistant. Benefits received and refused by employees (or refused by the employee's Manager) with a value in excess of \$50 will be recorded in the Register. Details to include:

- date received
- receiver of benefit
- benefit description
- approximate value
- provider of the benefit
- reason for giving the benefit
- who approved the receipt or refusal of the gift or benefit

The register will be available for inspection at the Council's principal office during ordinary business hours and on Council's website [www.tatiara.sa.gov.au](http://www.tatiara.sa.gov.au).

Where an employee believes that an offer of a benefit is an attempt to influence the outcome of Council business, details are to be provided to the Chief Executive Officer as a matter of urgency.

In addition, in accordance with *the Independent Commissioner against Corruption Act 2012*, employees are required to report serious or systemic corruption, misconduct or maladministration that has either occurred, or has come to their attention.

## 7. Budget

Financial delegations outlined in Council's Procurement Policy apply to expenditure incurred under this policy.



In circumstances where employee expenditure levels exceed the limits documented in this policy, the employee must receive approval from the CEO prior to the event. If approval is not obtained, the employee will be responsible for the difference.

For all expenditure, approvals must always be received including justification in line with the principles prior to the event.

Expenditure outlined in this policy may be subject to Fringe Benefit Tax.

## **8. Availability of the Policy**

This Policy will be available for inspection at the Council's principal office during ordinary business hours and on Council's website [www.tatiara.sa.gov.au](http://www.tatiara.sa.gov.au). Copies will also be provided to interested members of the community upon request, and upon payment of a fee as fixed by the Council at its discretion.

## **9. Record of Amendments**

<b>DATE</b>	<b>REV NO:</b>	<b>REASON FOR AMENDMENT</b>
14 November 2023	Rev: 00	Draft Policy adopted