



BOULIA SHIRE COUNCIL

ENTERTAINMENT AND HOSPITALITY

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Related documents:	Form 13 Gift & Hospitality Disclosure Form Form 24 Councillor Reimbursement Form Policy 101 - Procurement Policy Policy 129 - Councillor Code of Conduct Policy 131 - Credit Card Policy Policy 146 - Code of Conduct
Responsible Section:	Executive
Responsible Officer:	Chief Executive Officer
Legislation:	Local Government Regulation 2012

OBJECTIVE

This policy provides guidelines of what is considered to be reasonable entertainment and hospitality expenses incurred with Council money and covers Council functions, entertainment for employees, Councillors and others, provision of food and beverages, etc.

Section 196 of the *Local Government Regulation 2012* provides:

- (1) The local government must prepare and adopt a policy about the local government's spending on entertainment or hospitality (an ***entertainment and hospitality policy***).
- (2) A local government may spend money on entertainment or hospitality only in a way that is consistent with its entertainment and hospitality policy.

Examples of entertainment or hospitality -

- entertaining members of the public in order to promote a local government project;
- providing food or beverages to a person who is visiting the local government in an official capacity;
- providing food or beverages for a conference, course, meeting, seminar, workshop or another forum that is held by the local government for its Councillors, local government employees or other persons;
- paying for a Councillor or local government employee to attend a function as part of the Councillor's or employee's official duties or obligations as a Councillor or local government employee.

SCOPE

This policy applies to all entertainment and hospitality expenses incurred by Council. For the purposes of this policy, the following will be regarded as entertainment or hospitality:

- a) The provision of food or beverages
- b) The provision of a performance
- c) Attendance at a function

Entertainment and hospitality expenditure may relate to:

- Councillors
- Council employees
- Members of the public, suppliers or customers or other visitors to the Council

The policy does not apply to:

- Meals provided for employees who are required to work during a meal time and an alternative meal break is not available.
- An employee working at premises remote from the normal place of work so that normal arrangements for a particular meal are not available.
- A commercial transaction for full payment.
- Private and non-official expenditure where the cost is not borne directly or indirectly by Council.

POLICY

Bouliá Shire Council recognises that entertainment is appropriate in circumstances that lead to significant benefits to the Shire. However, as a public body, Council must be accountable for any expenses in this area. As a general guide the 'Public Scrutiny' test should be applied. That is, if

details of this expenditure were published in the local media how would it be perceived by the general public? In this regard, entertainment/hospitality expenditure must be:

- For official purposes.
- Reasonable and appropriate.
- Properly documented with the public purpose identified.
- Available for scrutiny by both internal and external audit.
- Approved by the appropriate officer with the delegated authority to approve expenditure.
- Supported by appropriate tax invoices.

Role of Council

Boulia Shire Council is a focal point of community interaction. This includes from a cultural, political as well as a business perspective. In these capacities, Council's role includes the following:

- Building relationships that will be valuable for the development of the shire.
- Forming links within the region, state, nationally and where possible internationally to foster the economic development of the shire.
- Working with the Boulia Shire community to strengthen the social fabric of the Shire.
- Working with employees to encourage them to aspire to provide the best value service and performance for residents and visitors to the shire.

Overall considerations

- All entertainment and hospitality expenditure incurred must be in the public interest or necessary to facilitate Council business.
- The amount spent on entertaining and hospitality must be reasonable, having regard to the benefit to the Council or the public.
- The expenditure must be provided for in a budget and must be authorised in accordance with the Council's normal accounting procedures.
- Expenditure incurred by Council which is not reasonable and appropriate or is of a private nature must be repaid to Council.
- Entertainment and hospitality expenses may only be charged to a corporate credit card in accordance with Council's Credit Card Policy, or by Council Purchase Order.

Alcohol

Council is not liable for the cost of alcoholic drinks provided for Councillors or employees except:

- where the Councillor or employee attends a Council organised function, meeting or event at which alcoholic drinks are provided for non-employees
- where alcohol is provided as inclusive of the fee for attending a function, meeting or event
- where a Councillor or employee utilises their daily travel and meal allowance to purchase alcohol
- where specifically approved by the Mayor or Chief Executive Officer.

Hospitality and entertainment for Councillors

Councillors may claim hospitality costs on the same basis as employees.

Training courses, meetings and other functions

Where a training course, meeting or other function is arranged and employees or visitors will be present during a normal meal period, the Council may, if it facilitates the purpose of the event,

arrange for refreshments to be made available. Such refreshments are to be reasonable in relation to the purpose and nature of the event and the expected attendees.

Alcohol may only be provided at a function if it has been approved prior to the function by the Chief Executive Officer. Alcohol must not be provided during meetings or training courses provided by the Council.

If an employee attends a training course, meeting or other function not provided by the Council at Council cost, the Council may pay for meals (including alcoholic drinks) if they are included in an overall cost for the event or which are an integral part of the event.

Reasonable & Appropriate

The following are examples of expenditure which are considered reasonable and appropriate:

- a) Civic functions: such as citizenship ceremonies, Australia Day, Queensland Day etc. The decision as to reasonable and appropriate costs will take into consideration the numbers of attendees, the timing of the function, the venue and the location within the Council. Expenditure is to be approved by the Chief Executive Officer or the relevant Executive Manager.
- b) Employer reward and recognition presentations: Recognition of Council officers to reward outstanding achievement in the provision of services to the public. This may include official reward and recognition events, length of service presentations and officer farewells. Expenditure is to be approved by the Chief Executive Officer or the relevant Executive Manager.
- c) Anzac Day and Remembrance Day: Recognition of the service of war veterans to the community. Expenditure is to be approved by Chief Executive Officer or the relevant Executive Manager.
- d) Condolences: For the death of a Councillor or Council officer or their immediate family. This is in recognition of service and a mark of respect to his/her family. Expenditure is to be approved by the Chief Executive Officer or the relevant Executive Manager.
- e) Visits by overseas delegates: These visits occur for cultural or economic development reasons and have the potential to increase investment in the Council area. Expenditure is to be approved by the Chief Executive Officer.
- f) Visits by government representatives: Meals or Morning/Afternoon tea provided for visits from State or Federal members of parliament, Governor, Governor-General, Defence Forces etc are considered appropriate. Expenditure is to be approved by the Chief Executive Officer or the relevant Executive Manager.
- g) Annual Christmas celebration: Recognition and appreciation of Council officers for their dedication and commitment to the provision of Council services to the public. A Council contribution will be provided for the annual Christmas function.
- h) Meetings within ordinary hours: Where meetings extend beyond a normal meal break, Councillors and employees attending the meeting will be provided with an appropriate and reasonable meal and non-alcoholic drinks.
- i) Business Meals: Breakfast, Lunch or Dinner meeting between the Mayor, Councillors or Chief Executive Officer and official visitors, relevant business people or government officials. Reasonable food and beverage costs may be incurred. Expenditure is to be approved by the Chief Executive Officer.
- j) Associate persons expenditure: Only in special circumstances, specifically approved by Council, Mayor, Chief Executive Officer or an Executive Manager, are the

entertainment and hospitality costs for associated persons (eg spouse or partner) to be met by the Council. In these instances, the Associate will be considered an official representative of the Council and will be expected to comply with Council's Code of Conduct.

- k) Other Hospitality Expenses: Other types of expenditure considered reasonable as official hospitality includes the provision of tea, coffee, sugar, milk and morning or afternoon tea for official visitors and appropriate staff.

Not reasonable and appropriate

Examples of expenditure which is generally considered not to be reasonable and appropriate and are therefore to be treated as private expenditure are:

- Tips or gratuities
- Dinners/functions at the private residence of a Councillor or employee
- Drinks only costs – including hot and cold beverages
- Stocking of bar fridges
- Mini Bar expenses

The use of Credit Cards

Where a credit card is provided to a Councillor or employee, that card may only be used to pay for entertainment and hospitality expenditure where that expenditure has been approved under this policy and is in accordance with Council's Credit Card Policy and Procurement Policy.

Controls

- Expenditure on entertainment and hospitality must be authorised in writing by the appropriate officer. This is generally the Chief Executive Officer or Executive Manager.
- A person must not authorise that person's own expenditure. Expenditure by the Chief Executive Officer must be authorised by an Executive Manager or the Mayor. Expenditure by a Councillor must be authorised by the Mayor or Chief Executive Officer. Expenditure by any other employee must be authorised by the Chief Executive Officer or appropriate Executive Manager.
- An explanation of the purpose for the expenditure demonstrating that the expenditure complies with this policy and is in the public interest must be attached to each authorisation.
- Documentation must be supplied to enable Council to comply with Fringe Benefits Tax requirements.