Gifts and Entertainment Receipts and Expense Policy

MELBOURNE ARCHDIOCESE CATHOLIC SCHOOLS

Introduction

The Gifts and Entertainment Receipts and Expense Policy provides guidance to Melbourne Archdiocese Catholic Schools Ltd (MACS) office and school staff on how to manage offers of gifts, benefits, entertainment or bribery during the course of their employment. The policy will ensure that MACS office and school staff are not compromised or publicly perceived to be biased or otherwise influenced by offers of gifts, benefits, entertainment or bribery.

Purpose

The purpose is to ensure a high standard of probity and accountability is maintained in incurring gift and entertainment expenditure within MACS and MACS primary, secondary, special and special assistance schools and to ensure compliance with relevant tax legislation.

Scope

This policy applies to:

- MACS directors and Board committee and working party members
- Executive Director, MACS office staff, contractors and external consultants
- MACS primary, secondary, special and special assistance schools
- MACS primary, secondary, special and special assistance school principals and school staff
- gifts, entertainment and fringe benefit tax expenses incurred by MACS and MACS primary, secondary, special and special assistance schools
- the receipt of gifts, benefits, entertainment by any of the above persons or entities in scope
- offers of gifts, benefits, entertainment or bribery to any of the above persons or entities in scope.

Definitions

Acronym | term	Full name and explanatory text
Conflict of Interest	An actual conflict of interest where there is a real conflict between an employee's duties and private interests, or a potential conflict of interest where an employee has private interests that could conflict with their duties This includes circumstances where it is foreseeable that either:

	• a conflict may arise in future and steps should be taken now to mitigate that future risk • a perceived conflict of interest where the public or a third party could form the view that an employee's private interests could improperly influence their decisions or actions, now or in the future
Declarable gifts, hospitality and entertainment	Non-token gifts, are gifts, hospitality and entertainment valued at $75 and over, including but not limited to: • lunch or dinner paid for by an external party, excluding where the MACS attendee pays for their own meal • tickets to the movies, theatre, concerts or cultural events • tickets to sporting events – general admission, reserved seating or corporate boxes • Christmas or other hampers or baskets of goods and produce • shopping centre, store or wellbeing vouchers • homewares, household goods or technology • travel and accommodation • alcohol
External party	An individual or group of people who are not employees of MACS, MACS schools or their associated entities, or an organisation other than MACS and MACS schools
FBT	Fringe benefits tax, as administered by the Australian Taxation Office (ATO)
Gift (expense)	Free or discounted items and any item that would generally be seen by an ordinary person as a gift. These include items of high value (tickets to sporting, theatre or other events, golf days or expensive meals), low value (a bunch of flowers or a book) and consumables (chocolates or a bottle of wine)
Gift (receipt) register	A summary of declarable gifts, hospitality and entertainment maintained by MACS and each school for their respective entity's declarable gifts. It should include the details of the gift, including the date of receipt, a description and an approximate value of the gift, the decision taken to retain or return the gift and the details of who made the decision and when the decision was made. Where a gift is retained because it cannot be returned, the details of the gift, reason it cannot be returned, and the date it was sent to that entity need to be included in the register.

MACS	The Melbourne Archdiocese Catholic Schools Ltd. company
MACS Board	The MACS Board of Directors
Non-token gifts (receipt)	An offer of a gift, hospitality or entertainment that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All non-token gifts are declarable gifts. All offers worth $75 and over are non-token gifts and must be recorded in a gift register. *See also, Token gift*
School(s)	MACS primary, secondary, special and special assistance school(s)
Token gift (receipt)	An offer of a gift that is not deemed a personal gift for use outside of the work environment. Token gifts are worth less than $75 and include promotional materials such as pens, caps, stationery, coffee mugs, mouse pads and memory sticks

Principles

This policy supports MACS' commitment to strong ethical practices and good governance.

Gift expense: Ethical behaviour includes identification and avoidance of any conflicts of interest, actual, perceived or potential conflicts of interest and does not make improper use of an individual's role.

Gifts and entertainment expenditure must be for official purposes and provide an identifiable and appropriate benefit to MACS or the school.

Gift and entertainment expenditure must be identified and properly documented for the purposes of calculating and paying fringe benefits tax (FBT), where applicable.

Gift receipt: MACS endeavours to promote an organisational culture that actively supports declining offers of gifts.

MACS is committed to promoting MACS' staff responsibility towards maintaining the good reputation of Catholic education.

MACS requires its staff, contractors and external consultants to uphold communities' expectations and make decisions that are fair, unbiased and not affected by self-interest or personal gain.

This policy should be read and understood in conjunction with the MACS Fraud Prevention Policy and the MACS Conflict of Interest Policy.

Policy

1. Gifts and Entertainment Expense

1.1 The purchase of staff gifts and entertainment is to be limited as excessive expenditure may have FBT, income tax exposure and/or be viewed as items in lieu of remuneration.

1.2 Gifts, entertainment and meal entertainment expenses are deemed social expenditure.

1.3 Schools are required to consider and account for FBT implications of gift, entertainment and meal entertainment expenses.

1.4 Examples of gift and entertainment expenditure are detailed at Procedures point 1 of this policy.

2. Staff Amenities Expense

2.1 Staff amenities are expenses incurred by the school for its staff, which are principally of a sustenance nature and are in accordance with the usual business of the school.

2.2 Examples of staff amenities expenditure are detailed in Procedures point 2 of this policy.

2.3 Provision of basic staff amenities as detailed in Procedures point 2 is not considered entertainment or meal entertainment.

3. Meal Entertainment Expense

3.1 Meal entertainment expense is the provision of food or drink by the school (as the employer) to employees or others (such as parents, spouses, board members, suppliers, etc.)

3.2 Examples of meal entertainment expenditure are detailed in Procedures point 3 of this policy.

4. Fringe Benefits Tax on Gifts and Entertainment Expense

4.1 Gifts and entertainment expenses may attract FBT depending on the nature of the gift or entertainment.

4.2 MACS follows the ATO definitions of what constitutes gifts and entertainment and the ATO guidelines under which circumstances a gift or entertainment attracts FBT.

4.3 Examples of FBT attracting meal entertainment expenditure are detailed in Procedures point 4 of this policy.

4.4 The ATO states that all expenses defined as meal entertainment attract FBT.

5. Gift and Entertainment Expense Register

5.1 The school is required to maintain a record of expenditure on gifts and entertainment and meal entertainment together with associated FBT calculations.

5.2 The gifts and entertainment expense register should be utilised to assist in preparation of the school's FBT return at FBT year end.

6. Gifts, Hospitality and Entertainment Receipt

6.1 MACS directors, committee members, the Executive Director and staff and school staff, contractors and external consultants **should**:

6.1.1 not accept and cash, financial or other inducement benefit

6.1.2 not accept a gift that could be considered a bribe

6.1.3 formally declare in writing, any gift, hospitality or entertainment that has a monetary value of $75 or more, excluding GST.

6.2 MACS directors, committee members, the Executive Director and staff and school staff, contractors and external consultants are **not** required to:

6.2.1 declare gifts of less than $75 in value, but must be mindful that gifts received must not influence, nor potentially influence, any business-related decisions

6.2.2 declare any token gift received as a result of participating in a conference, seminar, or other work-related activity.

7. Formal Declaration of Gifts, Hospitality, Entertainment Receipt

7.1 The requirement to complete a formal declaration applies regardless of the outcome of any decisions regarding the eventual destination of the declarable gift.

7.2 Until this decision is made and actioned, the gift is deemed to be the property of MACS.

7.3 It is the MACS directors', committee members', Executive Director's and staff and school staff, contractors' and external consultants' responsibility to contact the Group Manager – People and Culture to seek clarification if there is any doubt as to whether a gift, hospitality or entertainment should be declared.

8. Bribes: Financial or Other Benefit Offers and Inducements

8.1 MACS directors, committee members, the Executive Director and staff and school staff, contractors and external consultants are required to report any offers of bribes, including financial or other benefit offers or inducements in accordance with the Fraud Prevention Policy.

Procedures

Gifts and entertainment expense and receipt procedures are detailed in Gabriel

Related Policies

Conflict of Interest Policy
Fraud Prevention Policy
Secondary School Procurement and Payment Policy
Procurement and Supplier/Contractor Evaluation Policy – MACS Office

References

FBT and entertainment for non-profit organisations

Policy information

Responsible director	Director, Finance and Infrastructure Services
Policy owner	Director, Finance and Infrastructure Services
Approving authority	MACS board
Assigned board committee	Finance and Audit
Approval date	May 2021
Risk Rating	Moderate
Date of next review	September 2023

POLICY DATABASE INFORMATION	
Assigned Framework	Financial
Related documents	Gifts and Entertainment Procedures Gifts & Entertainment and Meal Entertainment Expense Register

	Gifts and Entertainment Receipt Declaration
Superseded documents	
New policy	New