2001

ENTERTAINMENT AT A GLANCE
TAX EXEMPT BODIES

PRICEWATERHOUSECOOPERS

Circumstances In Which Food and Drink Provided	Provided to	Meal Entert.	Susten-ance	FBT	Reportable
(a)(I) Consumed by e'ees on e'er's business premises					
1) at a social function	E'ee	Yes	No	Yes	No
2) in an in-house dining facility – not a party, etc.	E'ee	Yes	Yes	No	No
3) in an in-house dining facility – at a party, etc.	E'ee	Yes	No	Yes	No
4) morning and afternoon teas and light lunches	E'ee	No	Yes	No	No
(a)(ii) Consumed by associates on the employer's business premises					
1) at a social function	Assoc	Yes	No	Yes	No
2) in an in-house dining facility – not a party, etc.	Assoc	Yes/No	Yes	Yes	No/Yes
3) in an in-house dining facility – at a party, etc.	Assoc	Yes	No	Yes	No
4) morning and afternoon teas and light lunches	Assoc	No	Yes	Yes	Yes
(a)(iii) Consumed by clients on the employer's business premises					
1) at a social function	Clients	Yes	No	No	No
2) in an in-house dining facility – not a party, etc.	Clients	Yes/No	Yes	No	No
3) in an in-house dining facility – at a party, etc.	Clients	Yes	No	No	No
4) morning and afternoon teas and light lunches	Clients	No	Yes	No	No
(b) Food and drink consumed off the e'er's premises					
1) at a social function or business lunch	E'ees Client Assoc	Yes Yes Yes	No No No	Yes No Yes	No No No
(c) Alcohol					
1) employee travelling – wine accompanies evening meal	E'ee	No	Yes	No	No
2) alcohol provided at the conclusion of a CPD seminar with finger foods	E'ee	No	Yes	No	No
(d) Consumed by employees while travelling					
1) employee travels and dines alone	E'ee	No	Yes	No	No
2) two or more travelling employees dine together	E'ees	No	Yes	No	No
3) travelling with client and dine together	E'ees	No	Yes	No	No
4) travelling with client and dine together and employer pays for all meals	E'ee Client	No No	Yes Yes	No No	No No
5) employee dines with client who is travelling separately	E'ee	No	Yes	No	No
6) employeee dines with employee not travelling					
X travelling employee's meal provided	E'ee	No	Yes	No	No
X both employee's meals provided					
- travelling employee's meal	E'ee	No	Yes	No	No
- non-travelling employee's meal	E'ee	Yes	No	Yes	No

Circumstances In Which Food and Drink Provided	Provided to	Meal Entert.	Susten-ance	FBT	Reportable
7) employee dines with client who is not travelling X only employee's meal provided X employee's and client's meal provided	 E'ee E'ee Client	 No No Yes	 Yes Yes No	 No No No	 No No No
(e) Employees dining with other e'ees of the same e'er or with employees of associates of the employer					
1) employee entertains another employee and is subsequently re-imbursed by the employer	E'ees	Yes	No	Yes	No
2) employee (A) entertains an employee (B) of an associated entity of the employer and is subsequently re-imbursed	E'eeA E'eeB	Yes Yes	No No	Yes Yes	No No
(f) Meal consumed by employees while attending a seminar					
1) provided incidental to a seminar that satisfies section 32-35 and is not held on the employer's premises	E'ee E'ee	Yes No	No Yes	No No	No No
2) light breakfast at a CPD seminar that does not satisfy section 32-35	E'ee	No	Yes	No	No
3) light refreshments including moderate amount of alcohol provided immediately after a CPD seminar that does not satisfy section 32-35	E'ee	No	Yes	No	No
(g) Consumed by employees at promotions					
1) function not held on employer's premises and open to general public	E'ee	Yes	No	Yes(z)	No
(h) Meals provided under an arrangement					
1) employer does not facilitate or promote an arrangement where its employee is taken to dinner by clients	E'ee	No	No	No	No
(i) Use of corporate credit card					
1) employees dine together at a retaurant and the meal is paid for with the credit card	E'ees	Yes	No	Yes	No
(j) Restaurant discount cards					
1) employee who holds a restaurant discount card entertains a client	E'ee Client	Yes Yes	No No	Yes No	No No
(k) Accompanying spouses					
1) with employee travelling on business and employer pays for all meals	E'ee Spouse	No No	Yes Yes	No Yes	No No

(z) Consider section 58P(1)(d) where entertainment is provided principally to outsiders and a meal is not provided.

This table reflects the contents of ATO ruling TR 97/17. It should only be used as a guide and professional advice sought.

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