

REASONABLE AND NON-ALLOWABLE EXPENSE PROCEDURES 2022

Issued by: Chief Financial Officer

Dated: 27 October 2022

Last amended: 23 January 2024 (administrative amendments)
2 April 2024 (administrative amendments)
18 September 2024 (administrative amendments)

Signature:

Name: Wayne Andrews

1 Purpose and application

- (1) These procedures are to give effect to the [Procurement Policy](#) (“the policy”), and support compliance with probity, value for money and legislative requirements.
- (2) These procedures apply to:
 - (a) the University, students, staff and affiliates;
 - (b) all foundations, centres, associations and institutes not separately incorporated;
 - (c) all University expenses; and
 - (d) all University funds.

2 Commencement

These procedures commence on 15 November 2022.

3 Interpretation

Words and phrases used in these procedures and not otherwise defined in this document have the meanings they have in the policy.

competition award or prize	means something won in a competition. A competition award or prize is not a gift or reward.
Entertainment	includes provision of food, drink or recreation.
Gift	means, for the purposes of these procedures, something given to a person to honour an occasion or to show appreciation without payment in return.



Honorarium	has the meaning set out in the Supplier and Payment Procedures . At the date of these procedures, that is: means an honorary payment to an individual in recognition of services provided to the University without expectation of payment. An honorarium is generally provided to help cover costs for volunteers and guest speakers. Note: Honoraria must not be paid to an individual in relation to whom the University has a contract for services.
Reasonable expense	means the cost incurred which reflects what a prudent person would take under the circumstances prevailing at the time.
Reward	means something given in recognition of an achievement, good effort or performance.
Teaching award	means a grant to outstanding academic staff, usually as an allocation of funds to use on teaching related training or equipment. No payment is made to the academic.

4 Reasonable expenses

- (1) The University will pay for reasonable business expenses approved under the [University of Sydney \(Delegations of Authority\) Rule](#).
- (2) Schedule One to these procedures lists specific examples of expenses which are considered to be reasonable business expenses and which are therefore prima facie allowable.
- (3) The specific examples listed in Schedule One are not entitlements. They are examples to provide guidance about circumstances in which there may be a legitimate need to incur such expenditures.
- (4) Delegates must exercise their own discretion and judgement in determining whether or not to approve any given item of expenditure, taking into consideration the particular circumstances including:
 - (a) whether there is a legitimate need to incur the expenditure;
 - (b) contractual obligations;
 - (c) funding source; and
 - (d) funding availability.

5 Personal expenses

Personal expenses will not be paid by the University.

- (a) Schedule One to these procedures lists specific examples of expenses which are considered to be personal in nature, and which are therefore prima facie non-allowable.

6 Prizes, gifts and honoraria

- (1) Competition awards or prizes may be paid directly to the recipient or to a charity nominated by the recipient.
 - (a) Payments to third parties under this clause may not be characterised as donations from the University.



- (2) Competitions involving games of chance are subject to legislative regulation and may not be conducted without prior advice from the Office of General Counsel.
- (3) Honoraria must not be paid to individuals who are otherwise entitled to be paid for their services by or on behalf of the University, including individuals with whom the University has a contract for service.

7 Documentation

- (1) Expense claims must be supported with original documentation necessary to:
 - (a) support claims;
 - (b) meet taxation requirements (corporate and personal); and
 - (c) meet requirements for grant reporting and audit reviews.
- (2) Images of documentation including receipts and tax invoices can be uploaded into the travel and expense management system or UniBuy procurement system.
 - (a) After all approvals and payments have been finalised in the travel and expense management system, the University does not require staff to retain the original documentation.

8 Rescissions and replacements

This document replaces the *Non-Allowable Expense Procedures 2018*, which commenced on 1 January 2018, which is rescinded as from the date of commencement of this document.

NOTES

Reasonable and Non-Allowable Expense Procedures 2022

Date adopted:	27 October 2022
Date commenced:	15 November 2022
Date amended:	23 January 2024 (administrative amendments) 2 April 2024 (administrative amendments) 18 September 2024
Document owners:	Chief Procurement Officer and Director, Financial Control and Treasury
Review date:	15 November 2027
Rescinded documents:	Non-allowable Expense Procedures 2018
Related documents:	Procurement Policy University of Sydney (Delegations of Authority) Rule Alcohol Policy Travel Policy Travel Procedures Acceptable Use of ICT Resources Policy



Leave Policy

AMENDMENT HISTORY

Provision	Amendment	Commencing
Schedule One notes 6, 8, 9, 14, 15, 20	Additional information included	23 January 2024
Throughout	Administrative amendments to remove the year from policy references	2 April 2024
Schedule One clauses 14 and 15	Reference to Gift cards and cash cards summary added	18 September 2024



SCHEDULE ONE: Examples of reasonable expenses and non-allowable expenses

	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
1	Airline annual lounge membership	Airline reward programs: Multiple airline club or lounge memberships or frequent flyer memberships.	One annual airline lounge membership arranged through the corporate program for University travellers who travel four or more University business trips annually. It is accepted that work-related travel will attract loyalty and frequent flyer rewards for the individual. Such rewards, however, must not cause the University to incur a higher airfare or accommodation (or similar) cost.
2	Business class or premium economy air travel as specified in the Travel Procedures .	Business class or premium economy air travel is generally a personal expense.	Under the Travel Policy , travel should be on the most direct route using normal economy air travel. Travellers may use personal funds or reward points to fund upgraded travel or accommodation.
3	Child minding under: <ul style="list-style-type: none"> • employment contract provision; or • University approved policy or procedure. FBT is applicable.	Child minding is generally a personal expense.	
4	Clothing or apparel that is a requirement of work health and safety legislation, uniform, University campaign or academic ceremony.	Clothing or apparel for work is generally a personal expense.	
5	Donations are non-allowable	Donations , including <ul style="list-style-type: none"> • political donations as defined in the Staff and Affiliates Code of Conduct; • donations to any charity, public benefit organisation or humanitarian cause 	



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
6	Entertainment of family or friends is non-allowable	Entertainment of family or friends	Entertainment for staff should not include family and friends due to FBT implications.
7	Entertainment of staff and students is generally non-allowable – see exceptions below	Entertainment of staff and students is generally a personal expense, such as birthdays, farewells, Melbourne Cup.	Staff may organise such events provided they are personally self-funded.
8	<p>Entertainment for staff, affiliates and students at annual staff functions:</p> <ul style="list-style-type: none"> Two annual staff functions, including alcohol, to a limit of \$100 per head (exclusive of GST) for each function, including tips. FBT applies and is an additional cost. 		<p>Only \$100 per head should be paid by the University, with any balance above this amount paid personally by the attendees to the supplier. FBT applies to the amount paid by the University.</p> <p>If holding one annual staff function the limit is \$150 per head (exclusive of GST), including tips.</p> <p>The two annual staff functions would generally be arranged at the organisational level of: HOS; HOA; Director Level 4 Centre; DFSP in FMH; SGM; Head of Clinical School; Research Centre Director.</p> <p>The two annual staff functions should not be held in the same month.</p> <p>In lieu of a staff function a gift hamper for staff is allowed.</p> <p>Entertainment for staff should not include family and friends due to FBT implications.</p>



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
9	<p>Entertainment for staff, affiliates and students at other events:</p> <ul style="list-style-type: none"> • approved by the Executive Dean, Dean, Deputy Vice-Chancellor, Vice-Principal, General Counsel or Chief Financial Officer. FBT is applicable. • arranged by senior managers (HOS/HOA and above) on an ad-hoc basis to discuss key issues (eg, significant business issues, strategy, counselling, mentoring). FBT is applicable. • arranged by the Vice-Chancellor for senior managers, affiliates and staff. FBT is applicable. • associated with working/planning retreats, award dinners, conferences and seminars that are “eligible seminars” or “exempt training seminars” under FBT, to a limit of \$100 per head (exclusive of GST) per function. FBT is applicable. • general supply of morning or afternoon tea provisions for visitors which can also be used by staff, affiliates and students. • light meals and non-alcoholic drinks for individuals attending working meetings or conferences on University business premises, occurring over a meal time or provided following a meeting or conference that lasted 4 hours or more. • monthly staff function held on University business premises, including cakes, biscuits and non-alcoholic drinks providing the cost is limited to \$15 per head (exclusive of GST). • non-routine staff function to celebrate a major business milestone, to a limit of \$100 per head (exclusive of GST) per function. FBT is applicable. 	<p>Alcohol for the personal consumption of staff, affiliates and students, outside the approved entertainment functions</p>	<p>These are additional to the two annual staff functions (see note 8).</p> <p>Reasonable expenses are permitted, including alcohol consistent with the Alcohol Policy.</p> <p>Note: All entertainment expenses must be charged as ‘entertainment & meals’, not ‘catering’.</p> <p>Individuals are not permitted to take home alcohol purchased from University funds.</p>



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
10	Entertainment for visitors on University business, including staff, affiliates and students.		Reasonable expenses are permitted, including alcohol, consistently with the Alcohol Policy
11	Equipment specifically for University use	Equipment for the private use of an individual	
12	Events - Tickets to attend promotional events for University business. FBT may apply.	Events - Tickets to entertainment events including sporting venues.	
13	Fines are non-allowable	Fines , including but not limited to: <ul style="list-style-type: none">• traffic and parking infringements• speed and red light camera violations• tow away charges• library fines	Avoidable penalties incurred by staff are a personal expense.



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
14	<p>Flowers or gifts: general</p> <ul style="list-style-type: none">• competition award or prize open to the general public.• donor and non-staff guest speaker gifts, with a limit of \$250 (exclusive of GST). Gifts for donors over \$250 and up to \$1,000 must be approved in writing by the Vice-Principal (Advancement) and gifts for donors over \$1,000 must be approved in writing by the Vice-Chancellor.• for official functions, ceremonies, exhibitions.• general gifts given on behalf of the University, with a limit of \$100 (exclusive of GST) per person.• or gifts for donors and non-staff guest speakers on behalf of the University, with a limit of \$250 (exclusive of GST).• research purpose incentive payments to participants.• student prizes under the Scholarships and Student Recognition Awards Policy.		Refer to Gift Cards and Cash Cards Summary .



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
15	<p>Flowers, gifts and rewards for staff:</p> <ul style="list-style-type: none"> • competition award or prize open to staff only. Staff awards or prizes over \$300 (inclusive of GST) are subject to FBT and should be paid to staff through payroll. • flowers or gifts offering congratulations on behalf of the University on the birth or adoption of a child, with a limit of \$150 (exclusive of GST), including delivery. • sent offering condolences on behalf of the University, for hospitalisation, serious illness or death, with a limit of \$150 (exclusive of GST). • gifts for staff leaving the University, generally with a limit of: <ul style="list-style-type: none"> - \$250 (exclusive of GST) for 5 to 10 years of service (FBT exempt), - \$500 (exclusive of GST) for 10 to 15 years of service (FBT is applicable), - \$750 (exclusive of GST) for 15 to 20 years (FBT exempt), or - \$1,000 (exclusive of GST) for 20 or over years of service (FBT exempt). <p>Note: The gift limit may be adjusted by the delegate based on the seniority or contribution level of the individual.</p> <p>Note: FBT is applicable on gifts to staff of \$300 (inclusive of GST) or over.</p> <ul style="list-style-type: none"> • gifts to staff to show appreciation for an individual's achievement and particularly noteworthy effort, with a limit of \$250 (exclusive of GST) per staff member per year. FBT exempt. • teaching awards that do not involve payment to staff. 	<p>Flowers for staff, affiliates and students are generally a personal expense.</p>	<p>Only the reasonable expense limit per head should be paid by the University, with any balance above this amount paid personally by other staff to the supplier. FBT applies to the amount paid by the University.</p> <p>Refer to Gift Cards and Cash Cards Summary.</p>



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
16	Honorarium up to \$1,000	Honorarium in excess of \$1,000	
17	ICT - Personal use of University information and communications technology (ICT) resources consistent with the Acceptable Use of ICT Resources Policy		ICT resources for working from home include: <ul style="list-style-type: none"> • standard University dongle plans through Optus as preferred supplier cost \$30 per month.
18	Insurance is provided by the University to cover a traveller for approved business travel.	Insurance: <ul style="list-style-type: none"> • to cover work performed outside approved university duties, such as private outside earnings • to cover personal or private travel, including accompanying persons. 	
19	Membership - Professional memberships required for University purposes.	Memberships to periodicals, sporting bodies, fitness clubs, golf clubs, private members clubs or other bodies that are not required to carry out University business.	
20	Parking permit: <ul style="list-style-type: none"> • under employment contract provision; • for visitor parking. Parking costs away from a normal work location, for business purposes.	Parking costs at a normal work location, including permits, are generally a personal expense.	
21	Passport fees are non-allowable	Passport fees	Passport and travel document costs are a personal expense.
22	Tipping: <ul style="list-style-type: none"> • in Australia up to 10% • overseas up to 20% 	Tipping: <ul style="list-style-type: none"> • in Australia above 10% • overseas above 20% 	



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
23	<p>Travel: Private or personal travel can be combined with business travel, however, the traveller must:</p> <ul style="list-style-type: none"> • pay for 50% of the airfare cost when the travel includes personal days of 30% or more; and • all additional personal day costs. 	<p>Private or personal travel combined with business travel</p>	<p>If the personal days on a trip are less than 30% of the total days away, then the trip will be classed as being materially for business and allowable. Staff are required to contribute 50% of the airfare cost where travel includes personal days of 30% or more.</p>
24	<p>Travel: Spouse, partner and dependents accompanying a University approved traveller under:</p> <ul style="list-style-type: none"> • employment contract provision. • University approved policy or procedure. <p>FBT is applicable.</p>	<p>Spouse, partner and dependents accompanying a University approved traveller is generally a personal expense.</p>	
25	<p>Travel – Travel related expenses:</p> <ul style="list-style-type: none"> • internet connection for University owned ICT equipment (eg, access at accommodation) • laundry and dry cleaning due to climatic requirements or travelling more than five nights. • specialist luggage for University owned equipment. • excess baggage as a result of business needs. • medical costs claimed through the University's travel insurance. • minibar expenses for bottled water. • vaccinations for specific travel destinations as specified in the Travel Procedures. • COVID test costs. 	<p>Travel related expenses:</p> <ul style="list-style-type: none"> • carbon emissions costs and carbon offset costs • health spas, saunas, massages, haircuts, toiletry items • laundry and dry cleaning are generally personal expenses • minibar and in-house movies are generally personal expenses • non-arrival charges at the fault of the traveller • personal reading material, such as newspapers, magazines, books • souvenirs or personal gifts 	<p>Refer to Global roaming on University mobiles in the Services Portal.</p>



	REASONABLE EXPENSE	NON-ALLOWABLE EXPENSE	Additional information
26	Travel – Expenses to and from work for: <ul style="list-style-type: none">• approved return to work under workers compensation.• special approval under risk assessment for afterhours work. FBT applies.• picking up/returning ICT equipment for working from home.• work related meetings across different University of Sydney campuses.	Travel to and from work is generally a personal expense.	
27	Working with children check for staff is non-allowable	Working with children check for staff is a personal expense.	