**FINANCIAL POLICIES AND PROCEDURES**

**SECTION 5: OPERATING EXPENDITURE & PAYABLES**

**POLICY 5: TRAVEL & ENTERTAINMENT EXPENDITURE**

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| **Policy Rationale** | [organisation]’s activities will require staff to travel from time to time. The cost of travel will be paid for by [organisation].  Entertaining internal and external parties is also likely to be part of [organisation]’s activities.  This policy will help guide [organisation]’s staff and management as to what acceptable levels of travel and entertainment expenditure are, so that [organisation] is not viewed to be indulgent or irresponsible in terms of incurring these types of expenditure. |
| **Policy Statement(s)** | **Travel and Accommodation**  [organisation] shall implement appropriate controls over the booking of travel and accommodation, to ensure:   1. Travel bookings are made in accordance with [organisation]’s Delegated Authorities and all staff travel is approved by the appropriate Manager(s) 2. Travel is planned well in advance and budgeted for. Any travel not budgeted for must be approved by the [organisation]’s CEO 3. Travel and accommodation bookings are as economical and efficient as possible, having regard to the purpose, distance, time and urgency of travel, and also regard to personal health, security, and safety considerations 4. All alternative options are considered by staff before booking travel to ensure travel is required (e.g. teleconferencing, Skype etc.) 5. Staff seek to use the lowest cost fares where possible, while giving consideration to the cost/time impact in the likelihood of having to alter travel arrangements 6. All air travel, accommodation, rental vehicles, and other travel requirements are booked with [organisation]’s preferred suppliers whenever possible 7. Staff do not personally benefit from any travel provided by, or incurred at [organisation]’s expense 8. Any / all travel involving staff spouses must be approved by [organisation]’s Board 9. Any cash travel advances are approved by [organisation]’s CEO, and will only be approved in special circumstances, generally associated with overseas travel 10. Meals and other ancillary expenses while staff are on [organisation] business are ‘reasonable’, as shall be periodically determined by [organisation]’s CEO (e.g. costs should not exceed $[35] for an evening meal etc.) 11. The above principles are embedded within [organisation] and that [organisation]’s Board and senior management also model these conservative behaviours   **Entertainment Expenditure**  Entertainment and hospitality can cover a range of items from tea, coffee and biscuits to catering, such as meals and alcohol. It also includes other non-catering-related items such as [organisation] funding the entry to a sporting or cultural event.  Internal entertainment (where [organisation] staff enjoy the benefits of the entertainment provided) is considered acceptable when approved in advance by [organisation]’s CEO, and relates to any of the following:   * Building business relationships with stakeholders and suppliers * Recognising significant business or staff achievements * Organisational planning sessions * Internal professional development sessions * Powhiri / welcomes and farewells for permanent staff   External Entertainment may be considered acceptable when approved in advance by [organisation]’s CEO, and relates to any of the following:   * Building business relationships with stakeholders and suppliers * Representing [organisation] * Hosting stakeholders and suppliers at events * Reciprocating hospitality, either on or off [organisation]’s premises   [organisation] shall implement appropriate controls over the provision of entertainment activities or expenditure, to ensure:   1. Any entertainment activities or expenditure is arranged and purchased in accordance with [organisation]’s Delegated Authorities 2. Where possible, entertainment is planned well in advance, and budgeted for. Any entertainment not budgeted for must be approved by the [organisation]’s CEO 3. All entertainment activities and expenditures are cost-effective and appropriate for the occasion 4. Staff and management are aware of what is appropriate, as periodically determined by [organisation]’s CEO (e.g. costs should not exceed $[10] per head for morning / afternoon teas, appropriate and responsible provision and / or consumption of alcohol etc.) 5. All entertainment activities and expenditures are supported by tax invoices and appropriately processed within [organisation]’s financial systems. |
| **Policy Implementation and Related Procedure Documents** | The implementation and review of these Travel & Entertainment Expenditure policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.  [organisation]’s CEO will develop and communicate appropriate guidelines for [organisation] travel and entertainment expenditure to all staff.  [organisation]’s CEO will provide a report on [organisation]’s travel and entertainment expenditure to [organisation]’s Audit, Finance & Risk Committee on a [quarterly] basis.  [organisation]’s CFO / Finance Manager is responsible for the implementation, review and monitoring of processes and procedures relating to the booking, purchase and processing of travel and entertainment expenditures. He / she is also responsible for providing staff training in relation to [organisation]’s Travel & Entertainment Expenditure policies.  The following [organisation] policies and frameworks should be referred to in this regard:   * Finance Manual * Delegated Authorities Policy * Budget & Forecasting Policy * Accountability, Internal Controls & Audit Policy * Financial Systems & Procedures Policy * Purchasing & Payments Policy * Petty Cash & Expense Claims Policy * Credit Cards Policy |
| **Legislative Compliance Considerations** | * GST Act 1985 * Tax Administration Act 1994 * Income Tax Act 2007 |
| **Review Protocol** | Policy Reviewed By: Audit, Finance & Risk Committee  Date Reviewed: [Date]  Next Review Date: [Date]  Revokes Policy Reviewed: [insert date of policy superseded] |